

# Housing and Planning Committee Meeting Transcript – 1/28/2020

Title: City of Austin

Channel: 6 - COAUS

Recorded On: 1/28/2020 6:00:00 AM

Original Air Date: 1/28/2020

Transcript Generated by SnapStream

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[10:07:16 AM]

>> Casar: Good morning, everyone. We're going to get started. So I'm councilmember Casar, chair of the housing and planning committee. It is 10:07 A.M. We are in the boards and commissions room in Austin city hall. I'm convening the meeting. We have vice-chair Ellis here and councilmembers Renteria and kitchen, councilmember harper-madison is ill today so that's why she's not -- why she's not with us. So can I get a motion to approve the minutes from the last meeting? Moved by councilmember kitchen, seconded by vice-chair Ellis. And we approve that without objection. Oh, I think we have a citizen communication speaker. Yes, why don't you come on up. You have three minutes. >> Hi, Walter morrow, the director of foundation communities. Thank you for the opportunity to speak. There's two I think really significant issues that I wanted to bring to your

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attention and maybe they're agenda items for a future committee meeting. I've been talking to staff about both of these and they are policy issues and need council input. The first is of the 250 million in housing bonds, roughly 100 million was earmarked for land acquisition, for land banking. I strongly am asking that that be reduced. I think that 100 million was a good idea when we were talking 250 million and we missed the opportunity to buy the land at the grove, but now we're a year into the bond program, the money's still there. What we're finding is when you take 100 million out for land and it just sits over here that, leaves 150 million. Spread that over five years, that's 30 million a year, some of that goes to home ownership and home repair, and to the nine percent tax credits and really there's no money left. We've applied three times to build lakeline station phase 2 in councilmember

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Flannigan's district. It's a great proposal. We need gap money for our four percent credits, and it's just being put off because there's no money. Three million of that project is for land. So you could keep a goal of 100 million for land, some of it would be direct city purchases, some of it could be land in the four percent projects that you're trying to fill a gap on. This is really important because when we go back to voters in four years we need to show housing units, not just land inventory. Most importantly, you know, the Loretta at Lakeline has 14 apartments for homeless families and children. And we want to particularly be a pipeline for families coming out of the Rathgeber village and we need to get that property built. We could open the doors and cut the ribbon in two years. So sorry if I'm on my soapbox on that one. It's a fixable issue. I think there should be strong agreement. The second issue is in

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conversation with Echo there's a real pressure to make sure that every housing bond deal includes COC units, continuum of care units. That sounds great. We have a homeless crisis. The challenge with that is that Echo feels like the city pressure is there to define that as the hardest folks to serve on the coordinated assessment. Typically single folks that have been on the street for a long, long time. They may have a significant record and other health issues. That's a great fit for some of our properties, but in Laurel Creek or the Loretta where we're focused on families with children, that's not a great fit. There's got to be some understanding and flexibility on setting aside units for the homeless and -- [buzzer sounds] -- Continuum of care. I raise that issue because I think that's an important public discussion. I don't think you should

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have a policy that every housing bond deal must take these units or we're going to make some really unwise situations. We also see the situation where some for-profit developers apply for housing bonds and they'll do whatever it takes, so they'll say yeah, we'll make COC units whether they know what they're doing or not. Thank you. >> Casar: Thank you. And I think what you've actually Teed up are two items that we've been planning on bringing to an upcoming housing meeting. To look at land acquisition dollars because I think you're right, we want units on the ground and we brought on some staff to do some -- increase the speed of how we're doing some of the land acquisition, so I think those are really important items for us to bring up. >> Kitchen: Chair, I just ask that if possible maybe we could bring that up at the next committee meeting? >> Yes, I think we're shooting for that if we can make it through. So we'll huddle and figure out whether it's the next one or the one after that, but we want to bring it up

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soon. >> Kitchen: Yeah, I think there's some need to really have some discussion about the use of the 100 million and those are good suggestions. We also need to be think being it as how we align with moving forward on our high capacity transit goals and the need to look at avoiding displacement along those lines by perhaps buying some of that property. So I think we can accomplish those goals and at the same time address the kind of concerns that Mr. Moreau is raising. >> Casar: Perfect, thank you. >> Renteria: I think it being a high opportunity area that it is very important that we start focusing on building these kind of housing that we desperately need. So I want to thank you for bringing that to our attention. I really want to see something in that area. >> Thank you. >> Casar: I think we have one other speaker. Come on up, sir.

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Please tell us your name and you have three minutes. >> Good morning, councilmembers, my name is Jerry harden. I spoke at Thursday's meeting. What I spoke about alternative transitional housing for the homeless, but using these structures called conestoga huts. And what I did last week was send more information by video links for councilmembers' staff to examination for information. One was about how they're built and the other was how church programs up in Eugene, Oregon were using these as part of their transitional housing program. And I think the best way to start these in Austin is by church groups and non-profits to sponsor a few at a time and provide the bathroom facilities or even pore Ta potties if needed

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for these huts. And it's not about asking for funds like that. It's allowing for churches or businesses to be able to sponsor these without being hindered up by regulations and like that: And look up if there are any regulations that would be a roadblock to these so it would be greatly appreciated. And that was really my main concern just for you guys to get more information to evaluate and hopefully find more of. Do you have any questions for me? >> Casar: I don't think so at this time, but we appreciate you bringing it up in the hearing and we'll make sure to keep in touch. Thank you for sending us those emails, sir. >> All right, thank you. >> Kitchen: I would just -- sir, I would just add that we'll reach out to

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staff and ask them if there's any kind of regulatory roadblocks. >> Okay, thank you, councilmember. >> Casar: So because we want to get the ldc team back to their deadline coming up, we're going to take up

that item first out of order. So we're going to take up item 3. There's about a 10 minute presentation from staff. I'm going to try to urge us to keep our discussion and comments to, you know, 15 or 20 minutes max so that we can get them out of here and then we'll hear about the nine percent applications. Ms. Beaudet. >> Thank you. Good morning chair and councilmembers. Thank you for having us. Today marks the first of being able to daylight what we've been up to since first reading with council and the committee setting. So I wanted to first give an overview of what's happening this week, and specifically to the staff report that's going to come out.

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We have three items coming out on Friday the 31st. Supplemental staff report number three, a new revision of the citywide zoning map as well as a new reversion of the text of the code. Similar to October 4th, all three will relate to each other and will come out at the same time on Friday. We've been working very hard since first reading to review 199 amendments made at first reading. So what you will see in the staff report, again it's meant to be an executive summary of the changes that will be reflected in the document and the map. What you will see is the structure is -- each and every amendment will be listed and there will be a staff response . As concise as possible as to how we addressed it within the code. Or if there are challenges or more time needed in order to address the amendment, we

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will explain what the challenges are and why we need more time in order to address that one. And there will be others that we have looked at and will be reflecting that the item is more programmatic element that the response from the city should be in a program and not so much in the code, and we'll explain the difference why. So there's only about 10% of the 199 amendments that we don't have a crisp response to that is code or map related. So it's a very small handful that we're saying this is more programmatic and this is why or we need a little more time to figure out the approach. So happy to take any questions on the staff report and what's coming out on Friday on the map or text. And then the last thing I'd like to talk about is schedule. So today we're here at committee. Happy to answer any questions. Next week we have two special called work sessions

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on Tuesday the 4th and Wednesday the 5th. The 4th will be from 1:00 to 5:00 and the fifth from 9:00 to 1:00. On the 4th we'll be going into great detail on the affordable housing bonus program and calibration. We'll have our consultant from eco northwest here to talk through the bonus program changes with you all. We'll have new capacity numbers based on the amendments made to the map on first reading and then we'll also be talking about the changes to the map in-depth. And then on the fifth

we'll have a lot of modeling and rendering to show you on all the other Zones that was requested by council back in December and in the work sessions leading up to first reading. We also needed to do calibration and modeling in order to first reading amendments related to floor area ratio, graduated impervious cover, the preservation incentive and other things.

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So we'll be going into a deep -- deep detail on what we've done since first reading with regards to more modeling and renderings. And we'll talk about some of the -- some of the main housing items such as the preservation incentive and other things that are affecting the capacity -- the capacity and other goals of the project. And then of course going into more detail on both zoning and non-zoning regulations that have had some amendments since first reading. So that's really it on process, and what's coming on Friday I think we can pause here if you have any questions on that and then I'm going to let Laura go into some preliminary information on the zone standards for missing middle that we've been working on as well as what we're seeing very preliminarily on housing capacity based on first reading. >> Casar: I told you there

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would not be 200 amendments. [Laughter]. Members, any questions on this process? The process work before we talk about the second half of the presentation? >> Kitchen: Just a quick question. >> Casar: Sure, vice-chair Ellis and then councilmember kitchen. >> Ellis: Do you know how many of the 199 were able to be incorporated into this round and if there will be a tracking spreadsheet of which ones maybe didn't make it and why, just so we can kind of keep track? I had no idea there were 199 amendments. [Laughter]. >> Good question. Yes, there will be a tracking spreadsheet that will be an attachment to the staff report, and it's not that many. The good news is there were a lot of amendments but we will be -- what comes out on Friday will be reflective of all but about 10 percent of them. So there's about 20 that will not be reflected.

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And of those 20ish, 20, 25ish, again the reason why they weren't incorporated into the map or the text is because they're programmatic in nature, and there's a few that we still need to determine an approach to how to figure out the universe of properties or how do we approach implementing that. So it's a small universe. So we feel pretty good and proud about the ability to have incorporated the vast majority of amendments into the second reading drafts. >> Ellis: That's great. I was thinking it would be the programmatic ones. Things that need more thought and process to them, but that's really good to hear. >> Casar: Councilmember kitchen. >> Kitchen: I wanted to ask quickly, I just noticed that we don't

really have a public hearing time specifically set, so just ask that y'all think about that. We do have to take public input and we'll just have to take them when we start our process of the second

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reading unless we -- unless it makes sense to set aside time like we did last time. >> Thank you. So noted. Laura, do you want to talk a little bit about zoning standards and capacity? >> Casar: And before you start, I think that's probably that we discuss at one of the work sessions next week with the mayor present and all the members present about how we handle that, what makes sense. Go ahead. >> Good morning. Laura Keating with planning and zoning. I wanted to give you a high level overview of the work we've been doing on zone standards and site development regulations. There are a number of amendments from first reading that fall into a larger category of tying the number of units to the allowable F.A.R. Or impervious cover on a site. And we think that's a really good way to kind of promote the goal of having more units rather than

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necessarily larger units throughout the city. So we've comprehensively been looking at F.A.R. And impervious cover limits from the r-2 to the rm1 zone and we've been doing a lot of modeling of those, which we'll show you during the February 5th work session to show you how we came to the numbers and the conclusions we drew from that modeling. While modeling these Zones we've also done a lot of data analysis looking back at the past 10 years of permits and then also looking at tcad data just to see the existing universe of units and unit sizes in the city. And so some interesting results from that data analysis was that in the last 10 years less than two percent of housing units were built in the missing middle form, and what I mean in this context is three to

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10 units per building. So less than two percent of the last 10 years of units have been in that form. A lot of them have been built through in puds including like the Mueller development or sometimes it's three to 10 units in a building, but it's a large condo development on a large green fill site. So even a smaller subset of that 10% has been built through infill where you have three to 10 units on a site. And that's really what we're trying to promote through the r4 and rm1 Zones so we've been looking at that data and the modeling to see how we can better allow those Zones to be buildable and feasible: So that's all I have on the zone standards if you guys have any questions on those and then we can talk about housing capacity. >> Ellis: I have one off the top of my head. I know we've had discussion

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with our other colleagues about bedroom counts and trying to navigate number of units versus what is going to be a one bedroom versus something that can accommodate a family more. So I don't know if that just may be something that we want to make sure we talk about a little bit as you're kind of going over that information with us. It might be helpful for us to understand how two and three-bedroom units might play into this. I don't need an answer now. >> Absolutely. In our modeling we are looking at what like a realistic floor plan for the models that we're creating are so we can also give you information on whether this would typically be a two bedroom or three-bedroom. >> Casar: Inch that sort of chart is useful on what a three-bedroom, just with a living room looks like right now in today's construction and if that varies, if you're talking about a single-family house versus an apartment versus more of a single-family housing type. Because sometimes when we're trying to compare F.A.R. On a standard site. I saw during the hearing

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that sometimes folks were thinking something might be a three bedroom when really that size was much bigger or much smaller. So just some typical ones would be useful. I think it's a really interesting point of information that less than two percent of the construction that we've gotten in the last 10 years has been missing middle. It shows why it has the name missing middle. And while we have a lot more than that on the ground, so much of that was built much earlier than 10 years ago, so much of it in the world War II or pre-world war II era, so I think that the missing part is that it's missing and it's construction. And as we grow as a city that means it's less of our housing stock. So that's really interesting. Have you pulled out anything else from the data that we should be thinking about between here and next week that's a real highlight for you? That's really interesting. I hadn't heard that in the

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years of hearings that we have had on the code. >> On the only other strong trend that we've had is new units are tending to be built very large so that's why we wanted to also look at the older housing stock and what kind of unit sizes those are built at because those are duplexes and tri plexes that people are living in today. But we'll present any kind of strong trends that we've seen. >> Casar: We heard that during planning commission a couple of different times that if you look at permit that the new construction is just so, so big and for us to find ways for it to be more moderate size while still allowing for family size units I think is part of the sweet spot that we're looking for because we just hear anecdotally that folks aren't able to find in the housing inventory, but you guys have been the data will help us when we make the decisions on square footage. So thank you. >> And even the duplexes I notice in my district a lot of the duplexes available were built before the current code so I think that information could be helpful

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helpful. >> Casar: Councilmember kitchen, did you have something? >> Just related to that, two different things. Off first in owe -- this is great information and in talking about the trends do you have any way to understand what factors allowed for or encouraged or were impacting whether those were built or not? So we'll have data about how many are built, but do we know why? >> Why so few missing middle have been built? >> No, why the choice was being made -- if a choice was being made whether to do the three to 10 unit form or some other form. We're saying it's only two percent and that's very helpful information, but what would really be nice to know is why. But I don't know if you've got data that would help you suss that out. >> We're looking at that

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qualitatively as well. One example I can think is that the new code is trying to improve is just to make it easier to get through the development review process for three to 10 units. And so yeah, we'll come back with any other observations related to that as well. >> Kitchen: Well, I guess the question might be -- I don't know if you have any hard data or not, but ideally you would be asking people, well, so you chose to do the three to 10. You know why. What factors led to your ability to do that as opposed to someone -- a developer who didn't do that. I would love to hear from the developers what they think are the factors one way or the other. Anyway, it would really help us analyze better if we understood why. So the second thing I wanted to ask you about was you had mentioned the older stock. So this is just something maybe we can talk about

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on -- I guess maybe it's the 4th when we talk about affordable housing. I'd like to understand better the ability to which we're really going to be able to preserve affordable housing that's on the ground right now. You know, we've talked some about the fact that part of the difficulty is we -- you have some data to -- and you've been doing this, to identify where there is existing multi-family affordable. And been able to zone those comparable instead of upzoning them. But the problem is that they're zoned comparable to existing zoning. So affordable housing stock that is sitting on property that has a higher zoning than they've taken advantage of is not going to be -- we're not really preserving what's on the ground. And you know, there are lots of limitations to that and lots of policy questions about the extent to which we can actually do that.

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But I would like to have -- just marking that, I would like to have that as part of our discussion when we talk at work session, I just want to make sure that we have explored every -- every approach that we might put in place to actually preserve what's on the ground right now where we have -- that kind of affordable housing. And if there are policy decisions to be made, I think those need to be surfaced to the council on whether or not we want to go down that road or not. I know that one of the concerns has been raised is that in some cases that might require down zoning. Well, that's a policy decision for the council to make about whether we want to go down that road or not. So I just think -- I'm just asking to please make that part of our conversation when we talk about it on the 4th or 5th, because I want to make sure -- it's a huge -- it's a really high priority for all of council to do everything we can to preserve existing affordable housing and I want us to have eyes open, wide open in

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terms of the extent to which we are or are not able to do that. So that's just a request for what we deal with on the 4th or 5th. >> Casar: That makes sense to me. That was a big component of what we've talked about. I know the staff have been working on it. And while our bond dollars and purchasing is what preserves things in perpetuity, I think reducing the opportunity -- reducing the options for redevelopment on some of these more affordable units while we create opportunities for redevelopment on commercial tracts and small infill I think is the balance that a lot of us are trying to strike. And we appreciate you working on that. >> Yeah. So we will definitely bring this up at our leadership team meeting and discuss it with the team, including Debra Thomas, and make sure we carve some time at work session to address. Thank you for that. >> Casar: And the mayor has joined us. Welcome back.

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He just said hi. >> Mayor Adler: [Inaudible - no mic]. I think they will introduce a lot of really new concepts and I look forward to the discussion and the debate of those and I think when the maps come out on Friday everybody has to remember that at that point we will be not even halfway through the approval process yet. So it will be an opportunity for people to see new ideas, new concepts and see how they look. >> Casar: And then we've got one more piece on housing capacity. >> Correct. >> So in regards to housing capacity, our preliminary numbers are showing a slight reduction in the base unit capacity. And two factors that are contributing to that is just reducing the mapping of r4 and rm1 has reduced base capacity by a small amount. The other thing that is

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contradicting to that is -- contributing to that is the main street Zones. We've added the dash a Zones to those. If they don't have residential entitlements today, they can't get them unless they participate in the bonus in the main street Zones, which only apply to the mixed use Zones in the last draft. So that really just reapportions some units from the base capacity to the bonus capacity, so they've moved. And then the amendment to allow for unlimited F.A.R. In most of the rm Zones in the mixed use Zones has created more bonus capacity for those Zones so that has led to an increase in the bonus capacity. We're still looking at how we're going to present and model the concept of the equity overlay, which will require a higher set aside for the bonus, so that's -- we can't speak to that specifically right now, but that will come out with the

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report card. >> Casar: Okay, great. And I hope and assume that regardless of whether we get it done on second reading or on third that some of the amendments in west campus and in downtown also hopefully make up for some -- for some loss in capacity as we work through those as well. >> That's correct. >> Casar: I think some of the amendments seem to be something that might absolutely reduce capacity, some of them seem to be ones that would slightly increase it, but I'm glad to hear that so far you are back of the napkin guess is you are not going to see a drastic increase or reduction in capacity based on what you release on the second. >> That's correct. >> Casar: Anybody? Councilmember kitchen? >> Kitchen: Is that part of the capacity conversation on the 4th or the 5th? I think I heard -- okay. So you know, we received a capacity report before that provided a lot of information for us. Should we be expecting an updated report with all of

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those? And by that I mean there was information about capacity by different zoning types. There was information about capacity by geography in parts of town? There was information about capacity by district? So should we expect to see all of that information updated? >> We will have a report card that comes out after work session, after we discuss the items in more detail and make sure our methodology is transparent and then we'll have a second report card that does report on overall capacity, missing middle capacity. There is the ability to break down the numbers by district and by other geographies and we're happy to make that available through the -- if you want -- there's a lot of different ways. You can request it at work session or -- I'm trying to understand did we give a report last time? >> You did.

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There was the cascadia report. >> Kitchen: Not the report card, cascadia gave a report that explained. You don't need to go over it again, I assume it was in the report. There were a number of tables in that

report that provided information about the zoning categories -- I'm sorry, I don't have them all in front of me. I guess what I'm saying is I would like to see a drill-down. So if we're saying that we're keeping overall capacity, which of course we want to do, I want to see how that works across the city and geographywise. And we did have information last time by district. I think that should be provided again. >> Yeah, we can replicate the memo. I'm remembering now the detail on the methodology, which is the same as you said. But the figure -- the numbers will change a bit based on the responsiveness

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to first reading amendments and we will update that. >> Kitchen: Okay. So you'll update the numbers broken out in the way that they were before. >> Correct. >> Kitchen: Okay, thank you. >> Casar: If it's relatively simple, I'm sure folks would be interested in that. If you start running into roadblocks or it starts taking up a lot of time, of course come and talk to us, but it sounds like for now that's something you're able to do. Councilmember Renteria. >> Renteria: This has to do with the missing middle. I wonder can you also -- when you give us the report by district, can you include the percentage of the missing middle that we have in the district? >> Yes, we can include that information. >> Renteria: Thank you. >> Casar: Vice-chair. >> Ellis: He will can you repeat the part about the increase in capacity and increase in bonus capacity again? >> Absolutely. So we saw slight reductions in the base due to less mapping of the r4 and the rm Zones.

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And then in the main street Zones when we applied a dash a to some of those properties that don't have residential entitlements today, the -- some units moved from base capacity to bonus capacity. >> Ellis: Okay. Is that in line with the way that we've been looking at affordable units and kind of seeing what leverage we do have as a municipality to say you don't need to have this capacity component, but if you wanted to turn commercial to residential, then we could be increasing our affordable units through that mechanism? >> Yes. >> Ellis: Okay. And were there other factors briefly that gave y'all direction to kind of toying with the rm and -- the rm1 and the r4? It's been a couple of weeks since we talked about it and I wanted to know if y'all remember briefly our thought process in discussing those changes? >> Good question. One that I'll mention and then Laura can chime in, but there's others. Did signal in the first

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staff report that we wanted to look at corridors on the transit priority network that were primarily residential, and recognizing that those are different from commercial corridors on the transit priority network and pulling back the transition areas a bit. So that did result in a reduction of rm1 and r4 along those corridors, which we were quite a few. So that was one factor that reduced rm1 and r4. >> Ellis:

That's helpful. >> And then in the vulnerable areas we also reduced in early type 1 and susceptible as well as dynamic went from r4 to r3. So those were two main areas where we saw a reduction in rm1 and r4 responsive to community input and direction from council. >> >> Ellis: Okay. That's helpful. Thanks. >> Casar: Mayor? >> Mayor Adler: [Inaudible - no mic].

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As well as the opportunities in the high opportunity areas. >> Yes, we can do that on the 4th. >> Casar: Is that it? Okay. >> Thank you. >> Casar: We promised less than 200 amendments, again. [Laughter]. >> It was 199. You missed that before you came in. 199. Thank y'all so much.

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>> Casar: Okay. Pulling up item number 2, briefing on the nine percent. >> Yes. Good morning, James may, neighborhood housing. I would like to introduce Patrick Russell, one of the newest members of our team in development services. He comes to us by way of tdhca, we stole him from the state and it was a very big steal. We're happy to have him working with us. He's been managing our lie tech programs, specifically our nine percent lite applications. Just to give you a brief rundown of the timeline in December 17th we issued a call for requests for resolutions . , Which are submitted as part of the application for the tax credits. Those resolutions were then -- those requests were then compiled and reviewed by Patrick to ensure that they met certain minimum requirements. Then we placed them on the agenda for February 6 so that the resolutions can be processed in time for the

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applications to be submitted no later than February 28th to the state. So that's the overall timeline of this entire process. Patrick is going to give you a better view of some background information on the lite process and also a brief overview of the 18 different applications that we received on December 10th. So I'll hand it over to Patrick. >> Thanks, Jamie. Patrick Russell, nhcd. >> Casar: Welcome. >> I won't say which one is better, but I'm very happy to be here at the city. My old boss might be talking to you. >> Casar: It's good to talk out on Twitter. You're here in the flesh. >> I was talking to Mandy about that, I adore all of you on Twitter and it's if good to be in the same room finally. So we are moving towards what folks in this industry like to call Christmas in July when awards are made for low income tax credits. It is a long drawn out

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process which has already begun with tdhca and it won't end until July, like I said. The purpose of today's briefing is to quickly do like a quick overview of the lihtc program, kind of like a one on one review, and then discuss its impact on Austin specifically for 2020. I would like to keep this conversational so please feel free to interrupt me as I go along if you have any questions. Fishes what is the low income housing tax credit, which I will continue to refer to as lihtc to be short. It is the largest source of funding for the new construction of affordable housing. It was created by Reagan's major tax overhaul and it survived the most recent tax overhaul. And its purpose is temperaturely to mobilize private investment in multi-family rental housing that is affordable to households that generally earn 60% amfi or less.

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I want to briefly go over the mechanics lihtc and how it works. The best way to understand it is simply to look at what it's not and that is a transitional market rate development. The transitional market rate development has a lot of debt and just a little equity. The goal of the development is simply to service that large amount of debt through the rental payments from the residents. And then half that hopefully have a little left over to return a profit to the equity investors. So looking at that bar, high debt, low equity, we look at a lihtc development and it's almost . Exactly the opposite. The debt and equity ratio is practically flipped. Market rate rents must be high to cover the debt so one way you make housing affordable is you significantly decrease the debt. With less debt to be serviced the actual rent that residents pay doesn't have to be high or as high. But of course this means that there must be a lot more equity in the

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development in order for it to charge affordable rents to residents. The private market by itself will typically not just toss in lots of equity to lower the rents. So there needs to be an incentive to get all that equity into the development. And this is where the lihtc program comes in. It looks complicated, but it's really simple so I'm going to kind of walk through it from left to right, from development back to federal government. There are a lot of players, but like I said; I think it's pretty simple. A lihtc did development has a lot of equity and little debt. Where did that equity come from? Usually big name banks that you and I have heard of like bank of America or Boston capital. Why would they do that? They've actually made an exchange, an exchange for pumping a lot of equity into a development they had received tax credits. Those tax credits result in a dollar for dollar reduction in their annual tax liability with the irs,

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but where do the tax credits come from? The developer meets their competitive requirements spelled out in a set of rules called the qualified allocation plan. You probably heard that term, qap, and that's all the lihtc rules are housed for a state fha. And where ultimately do those tax credits come from? Remember that lihtc lives in tax law. In setting rules the government has the annual lihtc authority based on a state's population. And I also like to point out that this is not a H.U.D. Program, this is a treasury program for affordable housing. Any questions? The result of the lihtc investment is an income and rent restricted development that caters primarily to households at or below

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60 percent amfi. And what you see here is kind of the chart for first income restrictions based on household size and then second the rent limits based on those income restrictions. Note that a lihtc is not an operating subsidy, it is a development subsidy. Operating subsidies like vouchers, for example, can be layered with lihtc developments, but many, if not most lihtc residents, receive no rental assistance. It's just the rent restriction that is making the rent affordable to them. Also I'd like to point out that nhcd's rental housing assistance provides assistance to residents making less than 50% mfi. So even though the tax credit program is largely built around 60 percent mfi, the G.O. Bond dollars that you approved is more going

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towards residents at 50, 40 and 30% amfi. Who is the state housing finance agency for Texas? It's the Texas department of housing and community affairs, tdhca. As I mentioned the rules by which lihtc is governed are housed in what's called the qualified allocation plan. A rivetting read of legalese that I hope you never feel compelled to sit down with. There are two lihtc programs, the four percent and the nine percent. But given what y'all will be discussing on February 6, today we're just talking about the nine percent. Some basic facts about the nine percent lihtc in Texas, it is administered once a year by tdhca. It is very competitive, often being oversubscribed by a factor of two to one. It is a long, drawn out, cutthroat, expensive process process. It officially began a few weeks ago when pre-applications were

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submitted to tdhca, awards will be made in July and the developments that receive funding from those awards will ultimately open up to the public in December 2022 or early 2023. And these pictures on the bottom are a couple of nine percents that have won awards in Austin in recent years. The total nine percent lihtc funding for 2020 in Texas is approximately \$80 million, but note that this is the one year value of the tax credits. Tax credits are claimed by the investor over a 10-year period so tech neck lick

it's a bit over eight million dollars in affordable housing, just for nine percent, just for 2020, just in Texas. The total -- that total amount is disbursed into a couple of buckets. One of which is regions and the other is set asides. The primary bucket is the regions, the biggest. And Austin is in region

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seven urban. It includes the urban cities located in kind of the capital area. I think it's approximately nine counties. So it's not just Austin, it's Round Rock, is San Marcos, Georgetown, bee cave even. So region 7 urban will have almost four and a half million dollars. And again that's the one year value of the tax credit. And this is enough funding for approximately three developments this cycle here in Austin. The other bucket in addition to the geographic one is what tdhca calls set asides. And a set aside of particular importance is the at-risk set aside, which is for affordable housing developments that already exist, but their federal funding is about to expire, hence the development is at risk. This is a statewide competition and so if there were development in this

[10:53:16 AM]

bucket in Austin it might be competing against one, say, in El Paso. It's usually rehabilitation of the development or reconstruction, never new construction. And the statewide amount for 2020 is just over \$12 million. Currently there are two proposed applications at tdhca from Austin that are in this bucket. And we will certainly be watching them. And again note if they win it doesn't pull funds from region seven, it is a differently different funding bucket. So to recap, a little over 80 million one year value in lihtc in 2020 for Texas. About four and a half million is coming to Austin that will probably get us three developments and of that 12 million at risk set aside Austin might get really lucky and see one or two from that list. The nine percent lihtc program is so competitive that tdhca can input a lot

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of scoring criteria into the process of determining winners and losers and these are just some of the items that matter. Just some of them. But what I want to call attention to are some that I think relate to the city of Austin in some one way or the other and that will bear out in what you see in 2020. Taking the first two together, a scoring item all income levels of residents and another one called rent levels of residents, I want to note that there is a three-point scoring advantage for supportive housing developments in the gap. And that will certainly impact what you're going to see in 2020 and we'll talk about that shortly. Another one I want to point out is a scoring item called proximity to jobs and this is a pretty significant scoring item in the gap that has in effect allowed Austin to have a monopoly on the nine percent round for the past three years. And I think it's important that the city and staff especially be aware of these

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scoring items since maybe we want to have a monopoly on the nine percent tax credit as opposed to other cities, because these scoring items, they come and they go. Tdhca changes the gap every single year. So it's important to be acquire of what are the scoring items that are given Austin a competitive advantage. Local government support, of course,, the city of Austin. You provide 17 points if a development gets a resolution of support and if you have a resolution of no objection they get 14 points. Doesn't sound like a lot, but the three points is enough that you won't win an allocation. Commitment of development funding also pertains to the city, if the city contributes a certain amount of money, the development can get one point. It's a very small amount, only \$500 in the way that staff meets this requirement is by requiring all nine percent applicants to do smart housing, which is in effect a fee waiver which equals usually a lot more than \$500. And then finally, city

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council has say on the scoring item called concerted revitalization plan. This is worth seven points, two points of which pertains to the city council saying this particular development contributes more than anyway other to the city's concerted revitalization efforts in a particular area of town. So all of that was to get to this point, which is what will city council see on February 6? The map that Mandy provided on paper looks a lot better. So we received, as Jean any said, about 19 requests for resolution and Travis Pearlman, nhcd, mapped this for the districts. Almost every district I believe had at least one application except for district 8. But it was great to see such great geographic dispersion in the city of Austin.

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And then another handout we provided, but it's not up -- we updated this this morning, the one you're looking at on the screen because we do have applicants dropping out. Once they see that pre-app log they say it's not worth it to proceed. We're going to back out. So we've had five withdrawals that you see up here. So that means about I think 13 or 14 active applications applications. And what I want to point out to you in bold are the ones that are supportive housing. And recall that I said supportive developments have a three-point advantage. Austin is very competitive when it comes to the gap. Everybody is maxing out their points. These applications are maxing out by an additional three points or two points. So currently it's like that

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show American ninja warrior. Lots of things can happen over the next six or seven months and who knows what will happen. But I do think it's interesting to consider the idea that Austin could see three supportive housing developments receive financing in 2020. And I think together these three -- what does it equal? >> Casar: 330. >> Quite a few supportive housing units. So lastly, of those 13 remaining applications, staff is asking that on February 6 council pass a resolution of support for each one, thus each application would go to tdhca with the full 17 points for that scoring item and then compete against each other based on other scoring items. Note that this was the first year that nhcd staff made the resolution of support conditional on meeting certain requirements. It just so happened that one

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maybe the net was really big this year, but two, everybody met those requirements so they were able to get the resolution of support. Then we could of course become more selective in future years. Council will be asked to pass resolutions stating that certain developments contribute more than any other to the city's concerted revitalization efforts in certain areas. And again this is a scoring item at tdhca. Sometimes in years past there has been competition for this request from council because multiple applicants were in the same revitalization area. That was the case until about three days ago, I think. So what you originally saw was we were going to ask you to pick one or two up after staff making a recommendation. But that's no longer the case. Every crp applicant is in their own respective area so there's no competition for 2020. And with that, we

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and with that we can take questions. >> Ellis: Hopefully a quick question. The applicants who have withdrawn, how likely are they to resubmit next year? Is that a common practice or is that something that makes a project not pan out entirely? >> What's more common typically is to see a development kind of roll over into what's called the 4% housing tax credit program, which we didn't discuss today. But if it is a good location and the developer has the capacity and the financing is lined up and it looks like a great development, they'll just chase a different tax credit and a different financing source and make it happen anyways. That isn't always the case. A developer might not be skilled at doing a 4%, and in that case they sometimes do wait. But as I said, the scoring criteria is always changing. So it's difficult to know if a site that looked competitive this year will be competitive next year. >> Ellis: I see. That makes sense. Thanks.

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>> This is Mandy, housing community development. Even though redidn't focus on the 4%'s, I do want to point out that is non-competitive, unlike the 9% which the application occurs once a year. We'll see

those throughout the year and 4%'s are typically, if not always paired with private activity bonds, which is something we as Austin housing finance corporation issue. So we have already seen a couple of the folks who have dropped out or maybe who aren't scoring as highly as they would like to and don't look as competitive in the 9% to approach us to ever to have conversations about pursuing private activity bonds in the 4%'s and we have those conversations throughout the year. >> Ellis: So there are still other paths forward, if something doesn't pan up and they end up withdrawing -- >> There are other paths forward and we are particularly interested if the project, in fact, meets our community priorities,

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whether it's supportive housing or in high opportunity, gentrifying area, proximity to transit, so we look at all those things is to whether or not we want to pursue that as a 4%. >> Ellis: And that's where some of these affordable housing bonds that the voters have approved could come into play? >> That's correct. And you heard Walter speak during citizen communication, for Loretta, which is in the 9% round, he is already -- we've started discussion with him about pursuing that particular project in the lakeline area as a 4% bond deal. >> Ellis: And we certainly appreciate Mr. Morrow and all of our other community members who are working in this space. >> Casar: And remind me, you said you're bringing these forward for the next council meeting next week. Great. So we'll be approving all of those and they get scored in July, we find out who wins, but right now, something interesting that the community should hear is that given the permanent

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support of housing gets you those extra points, there's a very good chance we're talking about approving hundreds of new units for folks exiting homelessness, which I think is really important, exciting. How many exactly make the is not guaranteed, but it could very well be hundreds of those spread out across the city. >> That is an important thing to highlight. I also want to highlight, out of those three applications that are in the preapplication log -- and as Patrick pointed out, anything can happen between now and July -- but how far those three one of a supportive housing project by foundation communities, sponsored by foundation communities, then we have two that are sponsored, co-sponsored, by caritas, local service provider who we're all familiar with, and that's co-sponsored with vasino, a national affordable housing developer that focuses on affordable housing and with those two projects, 100% of those will be coordinated assessment units.

[11:04:28 AM]

>> Casar: Great. That's very good news. Council man Renteria, then mayor. >> Renteria: Thank you for clarifying this. I know that we also have -- last year when we were having these tax credits, our state

reps got involved also because they also allocate so many points. And it seemed like there was -- it got very competitive there at the state level, and we -- they let us know about it also, so probably this is the reason why you came and explained that to us, to clarify, because we were accused of -- by us approving all of them, then our state rep said, well, why did you do all these votes for, this kind, because we wanted this location to be funded. And it was very interesting because we always had historically approved all the housing projects and just sent them out and said, okay, y'all guys at the state level pick the best

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one. So what was your recommendation? And should we just continue doing the same thing? >> I like the idea of what we started to do this year, which is cast a net on minimum conditions you must meet to get that resolution of support. And then what we could consider perhaps is making that net a bit smaller and smaller each year, to kind of up the bar on what we expect to see from applicants, if they want the resolution of support. And if they aren't able to get it, we can still provide a resolution of no objection, which is just worth 14 points, as opposed to 17 points. >> Renteria: Okay. >> And I would note that those conditions that all 18 applicants met are based on the strategic housing blueprint, as well as if you are a permanent supportive housing provider, then you meet those conditions no matter where you are, basically. But I think that we have had a dramatic increase in the quality of the applications and in the review.

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I just also wanted to point out that there is one application that you saw last year that will continue this year, and that's the pathways at Chalmers courts west. That came before you last year, they're coming again this year, and there is no competition for that crp point this year, so no drama. >> Renteria: Thank you. >> Casar: Mayor? >> Mayor Adler: We do have one that has a conflict in it. We're -- do we have one? >> Sorry. That -- the one of those conflicting applicants has withdrawn their application. So there are no conflicts throughout. >> Mayor Adler: Makes it really easy for us. And the ones that are permanent supportive are 2003, 2004 and which one? >> The stop scoring are 2003, 2004, and -- which one? >> 2007. >> Mayor Adler: And 2007? And 2003, 2004 are 100% psh, supportive housing? Do we know what percentage 2007 is? >> When we say permanent

[11:07:33 AM]

supportive housing, we're -- because tdhca has a definition, we have a definition so just to clarify, the two caritas applications are 100% coming from the coordinated assessment. So what we are now referring to as the continuum of care units. >> Mayor Adler: Okay. >> The foundation communities, I

don't know off the top of my head the exact percentage of continuum of care. It is 100% permanent supportive housing. >> Mayor Adler: I would like to know what percentage is continuum of care, housing, you know, to reiterate what my colleagues said, the community wants us to find ways to get people off the street that are experiencing homelessness, and this is housing that does that. One strategy obviously is the motel, hope to get 300 of those rooms. If we can get 300 more rooms here, we're substantially adding to that inventory to help people move off the streets into a place that doesn't hide them but actually stabilizes them. Organizations like caritas who have a 90% success rate,

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who got people into that program, they get stabilized and they're not back in the streets in two years after they've moved in. So I would like to know the percentage of the foundation community -- >> We'll get that to you today, and I should also note that the continuum of care conversation is an ongoing conversation with all of our applicants. So we'll find out the data as it stands today and then we'll continue to have the conversation with foundation communities and all of our applicants. >> Mayor Adler: To the degree that you can have those conversations and express at least my preference that we - - for the immediate period, we deal with that significant challenge in our community, I wish you'd pass that on. >> Uh-huh. >> Mayor Adler: The last is, we're in a region with nine other counties, I guess. We have ours that we're looking at and hope that our top three get the three regional monies. I imagine the other eight counties might be making proposals, too. How do we grade against other proposals from other

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participants in the region? >> So because there is what's called the preapplication log, we already have a case, in effect, of who the applicants are for 2020. And fortunately, it's only applications from Austin. So, yes, the region that we are in is very large, but because of specific scoring criteria in the qap, other counties and regions don't score as well if you have a proposed development, so we didn't see any applications coming from those areas. >> Mayor Adler: And frankly, with respect to certainly to the continuum of care units, which is what this is focusing on, it's not really just a city issue, the challenge of people experiencing homelessness, it really is a regional issue. And a lot of the folks from our region are ending up passing through our city for services, as you would expect. So the fact that the region would be looking to Austin to take the lead in providing that kind of housing makes perfect sense to me. Thank you.

[11:10:37 AM]

>> Casar: Councilmember kitchen may have some info on that third development since it's in her district. >> Kitchen: Yeah. The south Lamar apartments and foundation communities, mayor, you may not have been here at the very beginning when Walter morrow spoke. I just want to make the point that when we say they're 100% coc, that means that they're 100% coc based on the criteria that's applied under coc, which means it's the -- we currently have a situation where, when we apply coc, that means the folks that are most in need. And as Walter pointed out earlier when he spoke, that level on the continuum may not be the right fit for all places, and there are other folks on the continuum that may need this supportive housing. So the fact that we're using the term 100% coc does not mean that the south Lamar apartments are not taking homeless people at a higher

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rate. We need to be really careful when we talk about that because we're leaving the impression that if it's not 100% coc, they're not taking as many homeless people and that's not necessarily the case. So it's a function right now -- it's a function right now of how we define coc and how we define how far down the list we go on coc. So regardless, these three that we're talking about, foundation communities and the two caritas, are the only ones on this list that are supportive housing at all, on the 16. And I'm really pleased this we have that many and am hoping that we get even more projects that have supportive housing. So I think -- I mean, I'm sure Walter will be able to share his information about it, but I just don't want us to assume that by putting that label on it, that it means they're not taking as much, and I don't -- you didn't mean that, but you didn't hear the earlier conversation. I don't want us to talk about that in a way that

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makes it sound like these projects are not taking homeless people. >> Mayor Adler: I didn't know enough to articulate it well so I need to learn. So outside of this place, if you can help me understand better that point. >> Kitchen: Yeah. >> Casar: Can I see good this summary is right, two of the developments which are well over -- a hundred-plus units each, would be coc, and that they're taking folks off the street, exiting homelessness, and are going through the system of taking people that are at the highest levels of vulnerability, and that the third development on south Lamar is primarily, if not entirely, for folks exiting homelessness, but their intake may be through a different system rather than the coordinated central system? >> That is correct. And we have an ongoing challenge with competing definitions of both homelessness, depending on your funding source, permanent supportive housing, supportive housing, so we're trying to really get to a point where we talk

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about the coordinated assessment or coc, we are talking about folks who are coming, they have gone through the intake process, they're in his, the homeless management information system, they are rising based on their vulnerability to the top. They have -- the provider has an mou, a memorandum of understanding, with echo, and that prior, when they have a vacancy, that developer, they have a vacancy, that person is coming off the top of the list. We have an ongoing challenge, as councilmember kitchen referred to and Walter morrow mentioned this, where we are not necessarily always matching the right person with the right unit or setting. We are trying to -- working hard with all of the stakeholders, that includes our nonprofit and for-profit developers, as well as echo, our continuum of care, we're continuing those conversations and trying to get this right so that somebody, if you're doing a family property, you are

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servicing families who are experiencing homelessness or exiting homelessness. And it's an ongoing challenge. >> Casar: But if these three all rise to the top, then you're talking about over 300 housing units for folks exiting homelessness or who would otherwise be experiencing homelessness, potentially coming through different systems. >> Absolutely. >> Casar: But things do change between here and July so it may be fewer than that, but in the end right now we're looking at hopefully helping hundreds more of these units open up for folks coming off the streets, so we appreciate that. >> And I would also like to add that in terms -- Patrick referred to the qap or qualified allocation plan. There are two things that are benefiting the city -- well, multiple things that Patrick pointed out. One is the proximity to jobs. That's one of the reasons why we're getting -- we're seeing all of the 9% applications that are in the city of Austin, versus in the region. And then also in terms of addressing one of our

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obviously highest priorities, supportive housing, is the focus of the additional three points for supportive housing. The qap goes through a process every year where they accept public input, and it can change. The priorities change. There was one year where we got no 9% deals, they all went to the city of Georgetown. And that's something that we, as staff, are watching and providing input, and we're also working with other large cities who are all experiencing the exact same challenges we are with respect to homelessness, affordable housing, and connecting housing jobs and transit. We are -- Jamie and I were just in Houston yesterday meeting with this consortium of the six largest cities, and we'll be working together to provide coordinated input to the qap this summer so that we can continue to see the 9% program best serving the city of Austin's needs. >> Casar: Thank you for your advocacy on that. Anything else before we

[11:16:45 AM]

adjourn? Vice chair Ellis. >> Ellis: I just want to do mention, this is extremely helpful, sometimes I'll get the question what does affordability really mean and it's really nice to know that you've boiled it down into some digestible charts and information so that people can see, there really is an assessment of median income, what is that percentage of median family income mean for households of different sizes, then what does that mean for rent. So it's not just a feeling of affordability, there's actually metrics that go with it. So I think this chart is really helpful. >> Thank you for that too. >> Casar: Actually, if you could email that to each of our offices, that might be helpful because sometimes we doing the emails from folks that say, when you say low-income unit or affordable unit what does that mean, and being able to have one up-to-date -- I know you have it on your website and online, but having it in our inbox is -- >> Full disclosure, I stole that from tdhca, but it is updated every year and I think it's important to stay abreast of those changing numbers and we'll be sure to

[11:17:46 AM]

provide it. >> Casar: Thanks to each of you. Our last item was about future agenda items, and I do think looking at land acquisition, looking at sort of the progress on the housing bond makes sense, and then figuring out if there are other layers or -- that we want to add to applications for funds that might make sense. I do think it's interesting, we had discussion earlier about whether we want to require some portion of coc from every development, at the same time, if we're able to get great, complete developments that provide way more than 10%, then, you know, I think that's a discussion for us to have. I don't know whether I need three developments that each provide 10% if we can get a couple that are a hundred and 130 that do way more than that, so I think that's an important conversation to us to keep having. Councilmember Renteria. >> Renteria: I also would like, if -- a report on the tif there and our funding that we have in the -- yes.

[11:18:48 AM]

>> I'm sorry, the homestead preservation? >> Renteria: Yes. And I think there's also some funding that we would recapture there in the saltillo district that was supposed to be used in that area, with the radius -- is that correct? >> Yeah. We can provide an update on those two different funding sources, the HPD homestead preservation district ters has been accumulating money the last two years. Off the top of my head there's potential a couple million dollars in there. And then we also have funding from plaza saltillo, some of which has already been dedicated to talavera lofts when they applied last summer and were awarded funding, but we can give you a status update on those dollars, where we have with spindown. But as a reminder, when folks apply to us for rental housing development or housing development assistance, one thing we do

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is assess what is the appropriate funding source so if, in fact, you are in the homestead preservation district, we think, okay, this could be an appropriate source for this particular project or within plaza saltillo or it could be federal funds or it could be local funds or housing trust funds so we try to be that matchmaker for these projects. >> Renteria: Yeah. And that's really great, but I'd also like to know how that money is being spent there so I can brag about it. >> Yes. [Laughter] >> We will get you the bragging rights, certainly at the next meeting, but we can provide an update via email. >> Renteria: Thank you. >> Ellis: And I would make a kind request if we're talking about land acquisition, it might be nice to have kind of a history of our land acquisition as well. As someone who represents the only district that isn't on this map, I think it could just be helpful for us to know how everybody can do their part, too. So I want to make sure we've got -- I know foundation communities has at least one, I think two properties in my district, and so I want to know what we can do to assist people in my

[11:20:51 AM]

district who might need this affordable housing as well. >> Sure. >> Casar: Great. That's duly noted. Well, we appreciate all of the work, and I'll adjourn the meeting if there's no objection. And there isn't. So we are adjourned here at 11:20 A.M.

[12:59:58 PM]

Proposed fiscal year 2020 capital budget amendment. We'll take any public comments with respect to this item after a brief presentation from our budget director, Mr. Conlin. The floor is yours. >> Thank you, Mr. Chairman. Good afternoon, chairman cooper, board members, president and CEO Clarke. My name is Kevin Conlin, the budget director for cap metro. Today we're here to conduct a public hearing to amend the fiscal year 2020 capital budget in the amount of \$2,114,276 for the purposes of purchasing two additional pro terra battery check buses with associated charges and pedestals to promote reliability improvements. The additional buses are to support reliability improvements needed during the peak period. The buses will be deployed to allow more running time on route schedules during

[1:00:59 PM]

the afternoon peak. Funding is available from the fiscal year 2019 ending fund balance due to favorable sales tax receipts for the year and this was communicated by our cfo during the December board meeting with the fiscal year 2019 financial report the amendment will revise the 2020 budget to \$111,782,000.537. And with that I'd like to turn it back to the chairman with any questions and an

opportunity for the public to speak on this topic as well. >> Questions for Mr. Conlin? I have one. The net effect of this is taking dollars out of which fund? >> It's actually taking this and being paid for with the excess sales tax receipts that we had during fiscal year 2019 we had \$17 million

[1:02:01 PM]

in excess sales tax, 2 million of these dollars were appropriated towards the purchase much these two new battery electric buses. >> So it's out of the surplus from last year and effectively would deprive our - - would reduce the contribution of the capital fund? >> Right. >> Any other questions? Any members of the public signed up to speak on this issue? If there are no questions and no public comments, that will conclude our public hearing. It's now 1208. Thank you, Kevin. We'll resume in seven minutes with >> Good afternoon, ladies and gentlemen. I'd like to call to order this meeting of the capital

[1:03:03 PM]

metro board of directors. The time is 12:18. As always, we'll begin our meeting today with the pledge of allegiance, if you would please rise. >> I pledge allegiance to the flag of the united States of America. And to the republic for which it stands, one nation, under god, indivisible, with liberty and justice for all. >> Thank you very much. And as always Gardner with our safety believing.

[1:30:16 PM]

>> I, Troy hill do solemnly swear that I will faithfully execute the duties of the office of capital metropolitan transportation authority... And will to the best of my ability preserve, protect and defend the constitution and laws of the United States and of this state, so help me god. Welcome aboard. Thank you. >> Thank you. [Applause]. Thank you, mayor. Another fun thing we get to do today is recognize one of

[1:31:17 PM]

our longest tenured colleagues at cap metro. Today's honoree is a familiar face to many of us through his multiple wins at local, state and even international bus rodeo titles. This month we'd like to thank and recognize bus operator Arthur Morillo, who has been with cap metro, get this, 37 years. [Cheers and applause] Four international rodeo titles, four. How about that? Do you mind if we all get a picture with you? You're the celebrity here today. We'd like to come around. If you will join us, we'll all get a picture.

[1:33:31 PM]

>> Great to have you here. It sparks the realization that nothing we do up here matters if the people out there executing don't do a good job, and you set a great example so we're really proud to celebrate your tenure and your excellence here today. Thank you for being with us. At this time now the board will hear all general public comments as well as comments on items listed on the action item agenda. Each speaker as always will have three minutes, unless you're speaking on behalf after group which is here, in which case you may ask to have five minutes. And so the only person I have signed up is Mr. Pena. Welcome aboard. >> Nobody else present, so three minutes is about all I need. My name is Gustavo, Gus, Pena, I grew up on east fifth when this was a slaughterhouse, so I have history here. One of the things I want to categorically state for the

[1:34:35 PM]

record, some drivers did not receive their pay and I have Mr. Hoover over here that he was kind enough to educate me on that. I've been a union member of the teamster's union Chicago. I'm a native austinite. Union member of the irs, union member of the veterans administration, had when it was the veterans administration, union member of the city of Austin and proud union member of after flcio. I'm not a dummy. These drivers deserve due diligence. It's now a lot of them want to quit. Stay in combat, but it hurts them. There are some things that they're telling me that sometimes I bring up to other entities they say it's not happening. It's the drivers. The drivers are telling me. Okay? So having said that, give the bus drivers a good contract and, Mr. Hoover and MV, I would challenge you to find better drivers than these drivers here in

[1:35:36 PM]

Austin, Texas. I respect them. One or two or three have been disrespectful, but I took corrective measures as a marine. By I just want to say this, that I appreciate your drivers. They're in combat. That big old bus is a monstrosity and I have driven buses in the marine Corps too, but I've -- I have three tours and I just want to say they deserve respect, they deserve the monetary compensation that they should have and a good contract. Again, Mr. Stratton, I don't want to embarrass you, but thank you very much because I'm not saying I can't speak to anybody else, but you've got the Gus Pena understanding, you know. And thank you for allowing me to speak to you and some things that are proprietary you don't divulge and I respect you for that. But board members, especially you, Randy, looking up to you to work with the union president. Work with the drivers. They will tell you what the

[1:36:36 PM]

needs are. Give them a better contract so they can have money for their families. Austin, Texas has become very expensive. They can't just make it with a little check. [Buzzer sounds] Anyway, I am going to the capitol now. I have the secretary of transportation coming in to Austin next week and then I have the secretary of veteran affairs also coming in in about a month. Thank you for allowing me to speak and please, please, please, MV, give the drivers their due diligence and a good wage. Thank you very much. >> Thank you, Mr. Pena. Ms. Joseph. Welcome. >> Thank you, Mr. Chairman, board members. It's a new year, Mr. Chairman, but it's the same issue, route 2392. Before I do that I want to say from a technical perspective I know you mentioned speaking now, but I just want to call your

[1:37:37 PM]

attention to your policy. You may speak during the public comment portion of the meeting or after the staff presentation of an item before the board or both. So I may speak again specifically as it relates to 392 safety, I'm going to ask you once again to move, stop by d5857 from China town southbound to the area that's already a landing pad, which is on CVS pharmacy, Braker and north Lamar. So I'm really not sure why that's such a problem. I know that you do know where our routes are because that stop id5000, they moved the pole from one side of the bench to the other. That does nothing to get us to and from where we have to go any faster. And so I'm just not sure, Mr. Chairman, why it appears that the board has such an aversion to black people or maybe it's just the minorities that are north of north Lamar transit center. Is that you have these benches all over the service

[1:38:39 PM]

area, but unfortunately the riders on route 392 and 142 flyer do not have the silver benches. So I did talk to Mr. Ken cartwright and I asked him when I was at the project connect meeting back at Bob bullock museum to send me the information as it related to the service guidelines and standards and how these benches were being implemented. And I've not gotten that information. So I'll put in an open records request, but it would seem to me that on an equitable issue you would consider title six and you would give us some benches as well. All we have are new plexiglass signs. That does nothing to get us to and from where we have to go any faster. I would ask you, Mr. Chairman, as well, our senior citizens at Braker and 183, there's construction going on there and I would ask you to please allow the bus to stop at the light so that they don't have to walk in the road with the cars, with the traffic. The sidewalk has been

[1:39:39 PM]

dismantled so they are actually walking in the street and that's, again, at Braker and I-35. I would ask you to recognize as well, Mr. Chairman, that we do not have any service on Parmer lane and Dessau road. [Buzzer sounds] While I recognize that you might try to tell us about the purple line, I want you to be aware that you had a 1.975-million-dollar north corridor study which said that by 2040 that the growth was going to be in the north. And so while I recognize on January 14th, 2020 you had your joint board meeting with the city of Austin and the president actually mentioned that -- [buzzer sounds] -- We benefit from the downtown changes, I beg to differ. To took two hours to get here today. If you have any questions, I'll gladly answer them at this time. And I'll tell you for mlk

[1:40:40 PM]

day I watched the 392 go to Kramer station and back and there was still no bus at the 801 China town stop. It happened two days later at the Rundberg and North Lamar stop where two 801 buses were back to back, drop you've annual and we missed the 5:26 P.M. bus and had to wait until 6:00 at Tech Ridge to catch the bus. So I recognize you want to sell 10 minute frequency, but please recognize anecdotally that that's just not the case for those of us that live in north Austin. Thank you. >> Thank you, Ms. Josephs. Next we'll have our monthly advisory committee updates.

[1:41:42 PM]

>>> Good afternoon, Chairman Cooper, Board, CEO Clarke, I'm here to talk about the Access and Zach committees. -- C SAC committees. For Access they have an update on the Transit Empowerment Fund. Jeff Downey was there to say something about the See Something, Say Something app that we'll be able to use on the bus if something is wrong. We gave a brief Project Connect update. I think this meeting was right after your joint meeting so they got a really low level update with that. And then we gave them a pickup update of the next pickup zone. Which sparked the conversation with them having an interest in seeing additional pickup seen in northeast Austin, further northeast than what we have now. And we have talked to them about having some working sessions to try to flesh out some ideas of where that could be and help them understand what we'll be doing next with pickups and other areas that we're looking to do with pickup

[1:42:43 PM]

and they definitely have an interest and where pickup is rolling out and what can be done with it. For C SAC they also had a new update on the See Something, Say Something app that we'll be rolling out. We gave them a Project Connect update and I think the former chair of C SAC had ran into President Clarke

and we'll try to give a better update for project connect in February. They have some interest in mode and have an idea of -- they want to have a say in what kind of mode they would support so they want to have a bigger update and wanted to wait until after the joint board meeting that y'all had, hence the statement on the lpa. They were going to do last month, but they decided to hold off until they heard more information and got more information so they could make a better decision. And then they had their elections last month so there is now a new chair for csac and new vice-chair as well. >> Very good. Any questions for Mr. Banks? Member kitchen? >> Who is the chair and vice-chair? >> The chair is ephram

[1:43:45 PM]

Taylor is the new chair. And bj Taylor is the vice-chair. Nobody left csac, they just -- the former chair, he was just willing to have somebody else step in if they wanted to do. He didn't want to have a monopoly on chairmanship. >> It's a heavy burden. [Laughter]. Member Stratton? >> I just wanted some clarification, Mr. Banks. I notice in the minutes here that David foster mentioned something about each member of the csac should have a conversation with the board member who appointed them to see how they are feeling, write down questions you would like answered to the February meeting. >> Yes, sir. >> Who did I appoint? I don't think I've been here long enough to have appointed anybody. [Laughter]. >> I think you were cool with the person -- I think actually ephram might be your guy, the new chair. I think he was there before and I think you were just

[1:44:45 PM]

okay with him staying on. >> Okay. >> So I believe it's ephram. I would have to look. It's on the website so I have to double-check. >> I just want to know who to expect a phone call from. >> I think it will be him. They're supposed to reach out to you and just let you know what they're doing and what they're thinking of. >> Great. Happy to. Thank you. >> I think as well, csac is considering a motion with respect to project connect and so I met with my two appointees this morning. I know they have a draft resolution that they're working on. I think your man drafted. Very good. Anything else? Thank you. >> Thank you. Typically we would have board committee updates, but -- member kitchen? >> I'm sorry, this has minutes for the February meeting, but it doesn't have the date. When are their meetings? >> It will be -- >> Was looking at skid mark. >> They will be the second

[1:45:46 PM]

Wednesday in -- I was looking at csac. >> That will be the second meeting in February. Csac is every second Wednesday of the month. >> Okay. That's okay. I can look it up. But I do have a question that reminds me. There was a question at one point about the locations for these meetings. Has -- where are

they being held? >> Csac has been meeting in the project connect office since roughly, I don't know, October of last year. >> Okay. >> So they've been enjoying that location. It's been working better for them than the previous location. So we've been doing it there. Maybe a little before October, but tail end of last year they have been meeting there. >> And what time do they meet? >> They meet at 6:00 P.M. And access meets here at 2910 in the boardroom the first Wednesdays of the month. >> Thank you. >> Thank you, Mr. Banks. Normally, of course, we would have subcommittee -- committee updates, but we had to cancel both committee

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meetings this month so we have no committee updates and that's why we have a longer action item agenda. Further, I think Mitchell was not able to go to the campo meeting, and I don't know if any of our other members have updates pertinent to us? >> Yes, I have an update, except I don't have all the details in front of me. Basically we did elect new officers so I will be serving -- commissioner Cynthia Long from Williamson county is the chair and I'll be serving as the vice-chair. And then we had presentations related to the upcoming new tbbp plan, the 2045 plan, which we'll be voting on later. The anticipated date is may. So it will be important as we continue to work with our colleagues on campo to understand how project connect fits into that listing of projects. >> Good.

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>> So that's the primary things that we covered. >> Good, thank you. Congratulations. You represent us well. Next up our action item agenda starting with approval of minutes from our December 16 board meeting. Might chair have a motion with respect to action item number 1, approval of minutes from the December 16, 2019 board meeting. >> So moved. >> Motion by member Travillion. Second by the vice-chair Garza. Any discussion? All those in favor say aye of the motion please indicate by saying aye? Any opposed nay? The motion carries 8-0. Thank you. Next action item number 2, approval of a resolution recognizing capital metro one billionth -- let me say that again, one billionth stomer trip. And I think actually I'm the one to read the resolution

[1:48:52 PM]

here. It's not -- we'll do the script. President Clarke. >> Thank you, chair. Did you want to make a quick comment on such a big milestone before you read the resolution. It is a big, big number that our community should be really proud of. It shows you how much cap metro has impacted our community. We're celebrating the 35th year this year and that's why we're recognizing our most tenured employees at each one of our meetings, like we just did. I think what is so important is look at how much we meant to this community over these years and how much more we can even expand and do that. And that's

what project connect is all about. I want to just thank all of our customers for using cap metro and allowing us to operate the community's transit system and I want to really thank our team members. I want to recognize all the

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staff and all the departments, people work tirelessly for their community to put this system together everyday and it's kudos to the team that is currently here and that has been here for the last 35 years and made this happen. Lastly, I'll mention please stay tuned, there may be a surprise on Wednesday morning that will be a recognition of our billionth

[1:50:54 PM]

customer. More to come, but we're looking forward to celebrating with the community on Wednesday. With that, chair, thank you very much and back to you for the resolution. >> All right. I'll try to stay on script. Thank you, president Clarke. Thanks especially to all the staff now and former colleagues who got us here. A billion is a big number. It's a thousand-thousand-thousand. And we're trying to get people -- in light of an election coming up maybe this fall, used to saying the word billion. With that let me read the resolution. Whereas the capital metropolitan transportation authority was formed in 1985 to provide public transportation for the people of central Texas and has a mission to connect people and communities to jobs and opportunities by providing quality transportation choices and whereas capital metro's vision is to transform the daily lives of central Texans by providing a robust, sustainable

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transportation network and whereas capital metro continues to invest in and grow with the community, having grown from 225 vehicles in 1985 to 485 now, and provided fewer than eight million rides in our first full year and more than 41 million in 2019. And whereas in the past year alone, capital metro has invested \$3 million in bus shelter improvements and solar powered lighting, installed 3,000 feet of sidewalks and improved both the acquisition and distribution of realtime transit data and whereas capital metro has enabled central Texans to avoid adding more than 445,000 tons of greenhouse gases into the atmosphere by taking transit instead of driving alone in their cars. And whereas capital metro implemented the largest change to its bus network in the agency's history in June 2018, creating a system

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that is more frequent, more reliable and better connected. And whereas the agency's commitment to regional partnerships has improved the customer experience working with the city of Austin, Travis county and the Texas department of transportation to open new transit centers at Westgate and Norwood, partnered with the Austin independent school district to foster a new generation of transit riders through its kids ride free initiative. And whereas the 2100 capital metro team members who are the foundation of the agency exemplify the sense of mission, dedication to continuous improvement and commitment to the customer which has resulted in increased ridership in 18 of the last 19 months. And whereas capital metro and its regional partners are building on the strong foundation the agency has laid for project connect, an integral part of the Austin strategic mobility plan and a bold vision for how we move people today and plan for tomorrow.

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Now therefore be it resolve that the capital metro board of directors recognizes this milestone of having provided one billion trips since its formation 35 years ago. That's the motion. Is there a second? Second by member Stratton. Any discussion or comment, board members? If there's no discussion or comment -- >> We'll just say that these are wonderful pins and t-shirts to advertise. >> Worthy of the occasion. >> Any comments or questions? If not we'll call the question and ask all in favor of the resolution to indicate by saying aye. Any opposed nay? Thank you all and thank you customers and riders and especially our colleagues who made that possible. Thank you. Next we'll go to action item number 3, which is approval of a proposed fiscal year 2020 capital budget amendment for the purchase of two additional proterra

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battery electric buses. Mr. Conlin, welcome back. >> Thank you, good afternoon, chairman cooper, board members, president and ce CEO Clarke. My name is Kevin Conlin. Today I am authorizing the approval after resolution for the president or CEO to amend the fiscal year 2020 capital budget in the amount of \$2,114,276 for the purpose of purchasing two additional proterra battery electric buses with associated chargers and pedestal mounts to support reliability improvements. The additional buses are needed to support reliability improvements needed during the peak period. Of the buses will be on routes scheduled during the afternoon peak. Regarding the contract, no board action is needed regarding this purchase since the contract was originally approved in 2019 at the board meeting to purchase four battery

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electric buses with an additional to purchase an additional six buses. The contract modification to exercise the option for purchasing these two additional buses was executed in December of 2019 and this budget amendment replenishes contingent funds used to support the purchase. Funding is available from the fiscal year 2019 ending fund balance a due to favorable sales tax during the year. This was communicated to the board during the December 2019 board meeting by our cfo. This amendment will revise the fiscal year 2020 capital budget to \$111,782,537. And a public hearing was held today at noon concerning this. And I'll open it up for any questions from the board. >> Questions for Mr. Conlin? The chair would entertain a motion with respect to action item number 3, approval of a proposed fiscal year 2020 budget

[1:56:57 PM]

amendment for the purchase of two additional proterra battery electric buses. >> Move approval. >> Motion by member Travillion. Is there a second? Second by member kitchen. Any discussion? No discussion? All in favor of the motion please indicate by saying aye? All opposed nay. Thank you, Kevin. >> Thank you. >> Action item number 4 is approval of a contract with clever devices, that's the name of the company, for the purchase of onboard digital displays.& Dottie Watkins. >> I'm Dottie Watkins, chief operating officer for capital metro. I'm pleased to present this item to you today. We have a brief presentation filled with pictures so you can see what it is we're talking about when we talk about onboard digital displays. As noted in your packet this is for approval of a resolution authorizing the

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president and CEO or his designee to finalize and execute a contract with clever dieses ltd to implement onboard digital supplies displays for a base period of one year with two one year options for ongoing maintenance and additional displays in an amount not to exceed \$1,351,341. What we're looking to do with this resolution is to begin to implement next generation technology on our premium services, so our metro rapid services and the new electric fleet we're adding to the fleet this year are scheduled to receive these onboard digital displays during the base term of this contract. A phi pictures that will show what these are, this aligns with our strategic goal of a high quality customer experience and will allow us to provide realtime information to our customers as well as safety messages, next stop requested information, news alerts, public service announcements, really the

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sky's the limit in terms of the information we could put there. The contract is with clever devices and would include all of our existing metro rapid vehicles as well as the 12 electric vehicles that we have scheduled to arrive this fiscal year. This is a base period to cover those vehicles and allows for two

hundred-year options in each of the option years we have the option to add 50 additional signs should we determine that we wanted to deploy some additional premium services during that time period. So this is just a picture. You will see a couple of examples here. This is what they do in Chicago in terms of providing weather information, next bus arrival information, what the next couple of stops are, that sort of information. Here's an example of some safety messaging from the nta in New York City. We could do any number of of public service campaigns. We are very active city and

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we regularly have detours along our routes so we could say, hey, the marathon is coming up this weekend. Pay attention. That sort of information would be very rule useful. The signs are mounted overhead in our vehicles and so here's an example ever what that might look like. We'll be putting one sign in each of our 40-foot vehicles. Two signs in each of our 60-foot metro rapids. If you're behind the bendy point in the bus you wouldn't be able to see the front sign so we'll have a second sign there. We're actually outfitting our newest 60 feet electric buses that we'll get late spring with three signs to see whether or not the third sign provides a considerable improvement to the customer experience or not. So I believe that is -- yes, other than the pictures, that is all I have in terms of information. I'd be happy to answer any questions you may have. >> Member Stratton? >> Ms. Watkins, first, this is awesome. I think this is an incredible leap forward in improvement for the bus system as a whole.

[2:01:00 PM]

Two questions. First of all, realize that at least this sounds like this is kind of the initial rollout, correct, for -- and that's why we're targeting the rapid buses and the new electric fleet, correct? >> This is our initial rollout. We do expect this to be primarily a technology that we would put on the metro rapid or most frequent routes. It's a bit cost prohibitive to plan to do fleet-wide. So at this point we've limit limited it to our existing metro rapid and electric vehicles. As we continue to roll you on services we'll look at the cost benefit. >> Do we think we might do something potentially for some of our higher frequency regular routes? Not the metro rapid, but like the 10 or the 7 or -- some of those more regular routes that aren't considered the metro rapids, but have very high frequency utilization out there. >> At this point we don't

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have metric routes planned. We want to get the metro rapid services out there and get the customer feedback and then we would look for it in our capital program to determine whether we wanted to expand the routes or simply expand them as we expand our metro rapid routes. >> So potentially there could be what might be potentially on the table could be putting them on the metro rapid buses as a

potential too? I realize there's that huge stretch you go from Leander and then you go to lakeline, but once you get into the downtown sector things can kind of get a little murky or confusing especially for new riders. I know speaking from experience when I first started riding and I've had other riders express to me too fact that -- our drivers are amazing when somebody is getting on new for the first time saying hey, I'm here at Leander or I'm here at lakeline, I see here that I need to get off at fifth and Guadalupe. Can you me out there. The drivers are pretty good about that. Having that technology might

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be one day helpful too. Is that something we could consider putting into the mix? Maybe not now, but looking at that perhaps down the road? >> We can absolutely consider all sorts of services and applications for these signs. This is an initial base contract that allows us for a little bit of growth but assuming we're satisfied with the technology we would be after this three year period is up looking to do a longer term term contract to be able to support the program. >> And my other question is is this something that could be -- that we would perceive or think could potentially -- knowing what's coming down the road with project connect. I keep using that down the road. Down the road could be potentially used with project connect that this technology could be leveraged and the contract could be leveraged as well for whatever we may be doing with the Orange line, with the blue line? That something similar to this could go into these --

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those as well. Again, looking at the fact that this way we're not having to go back out and go oops and have to spend additional money, go out and reprocure with a different company to get something very similar, looking at economies of scale I guess is what I'm getting at then even going into project connect. >> Yes, this particular project vehicle is only three years in length and would likely not be the answer for implementation on an Orange line or blue line given the likely time of that. But this type of technology is definitely something that we are looking at as we lean forward and say what is the future of transit, what does the transit bus of the future look like? We absolutely recognize that this type of technology is very useful to our customers. >> Okay. Thank you so much. I appreciate it. >> Other questions for Ms. Watkins? The chair then would entertain a motion with respect to action item number 4, approval of a contract with clever devices for the purchase of onboard video displays.

[2:05:03 PM]

Motion by member Stratton. Second by vice-chair Garza. Any discussion? Then all those in favor say aye? Any opposed nay? Motion carries 8-0. Thank you, Dottie. Next we have action item 5, approval of a resolution appointing Susan Renshaw, our current controller, to the capital metro investment

committee. Our cfo is here hopefully feeling better than the last time I saw you. >> Good afternoon. I'm Rene marneweck. I'm here today to ask for your approval to appoint Susan Renshaw our new controller to the capital metro investment committee as an investment committee member with the authorization to withdraw, invest, reinvest and accept payment with interest

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consistent with the capital metro investment policy. Most of you are familiar with capital metro's investment policy as I appear before you once a year to ask for your review and approval of the policy, but our policy is in compliance with the public funds investment act, and per the policy the board needs to designate in writing those capital metro officers or personnel that serves as investment officers with the authorization to invest on behalf of capital metro. Decisions on how to invest capital metro's funds are made with the advice of our investment advisory firm, who is currently pfm asset management lc. And with the concurrence of the investment committee. Now, our previous controller Lee Sandus recently retired and our new controller is Susan Renshaw and I will ask her to introduce herself. >> Hi.

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>> Misrepresent Shaw as recently joined capital metro as our controller. She brings with her more than 20 years of experience in previous controllership or vice-president of finance roles. She has a master's degree in accounting and a bachelor degree in business management from Texas state university. She also holds an active cpa license in the state of Texas and is a chartered global management accountant. Does anyone have any questions. >> Questions for Ms. Marneweck? No questions? Very well, then the chair will entertain a motion with respect to action item number 5, approval of a resolution appointing Susan Renshaw our controller to the capital metro investment committee. Is there a motion? Looking to the left. Vice-chair Garza. Is there a second, looking to the left. Member kitchen. Any discussion? No discussion, then all in favor of the motion please indicate by saying aye?

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Any opposed nay. Motion carries 8-0. Thank you. Welcome. Glad to have you. >> Thank you very much. >> Next action item number 6, approval of updates to certain policies adopted by the capital metro board of directors. lola Williams, welcome, new member of the legal team gets policy changes. >> Good morning. Good afternoon, chair cooper. I knew I was going to say good morning. Good afternoon, chair cooper, board members and president and CEO Clarke. My name is lola Williams and I am the staff attorney here at capital metro. Today I am seeking the board's approval of a resolution authorizing certain updates to policies adopted by the board of directors. As you know, and as you may know in chapter 451 of the transportation code, the board is responsible for high level policies affecting the

agency while the president and CEO and staff are responsible for the day-to-day management and operations of the

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system. Board of directors bylaws require the continuous review and update of all policies adopted by the board over a five-year period, beginning in 2018. So we are in year three of that review. And this month I am presenting three board adopted policies for your review. I will discuss the history of the policies and the reasoning behind staff's recommendations. The first policy is the metro rail fencing policy. This policy was adopted by the board in September of 2008 prior to the opening of the metro rail red line. At that time capital metro was completing fencing along portions of the right-of-way. As part of phase 1a a comprehensive fencing plan in anticipation of commencing red rail service in the community. The train service was new and there was some anticipation of the train starting going through our

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community. Capital metro and its contractor was responsible for the construction of the fence, developed guidelines to provide a written review structure for determining appropriate fencing and signage along the right-of-way. And we brought that procedure and guidance to the board for approval at the time. Today staff has over a decade of effectively designing and placing appropriate fencing and signage along the right-of-way to achieve access control, security and prevent trespass. Such decisions are made by staff on the ground everyday, individual case-by-case basis. And they consider such factors as risk exposure, needed enhancements, surrounding landscape, finances, available assets, et cetera. Staff is recommending that this policy be removed as a board policy and replaced with a staff operating

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procedure to be owned and managed by the real estate department with consultation from risk and safety and of course the rail department. And for this purpose, staff has drafted an operating standard called the capital metro railroad fencing and signage standards and that will go into place upon approval of this resolution. The railroad grade crossing policy is our second policy. This policy was adopted by the board in 2000 and in response to a discussion among policymakers at the time surrounding the development of additional roadways that cross the capital metro train tracks. It was the consensus of the group in 2000 that grade separated crossings, that is vehicular overpasses or underpasses over a right-of-way were the preferred and safest crossing solution to allow for increased capacity and

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uninterrupted flow of vehicular traffic across the right-of-way. The policy requires cities and other applicants who wish to construct a roadway above two lanes that crosses the capital metro right-of-way to construct a grade separated crossing. And in the event a grade-separated crossing was not feasible, the applicant would have to use full signalization such as lights and Gates and arms that come down when the train is about to come. The policy also required that the applicant make efforts to close two crossings for every one crossing that was established. Staff at the time requested board approval of that policy. Today under current business practices, all requests to construct a road crossing capital metro's right-of-way are handled by staff, by the real estate department. All such requests are subject to engineering review and approval and the type of crossing utilized is

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ultimately determined on an individual case-by-case basis by staff considering a number of factors, including the volume of traffic at the location, safety, the surrounding geography and a number of other factors. Staff -- while we agreed that grade separated crossing is the safest route to take, it's not always feasible. And staff is recommending that this policy be removed as a policy and be owned and managed by staff by the rail department specifically with input from safety and risk and the rail department. And for this purpose staff has drafted an operating procedure that would go into place upon approval of this resolution. And the final policy is a policy on rotation of auditors. This policy was adopted by the board in February of 2000 to ensure the

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procurement of financial accounting services performed by an independent external audit firm in accordance with industry best standards and practices using open and competitive procurement processes. To ensure external auditor continuity and retention of institutional knowledge while maintaining auditor Independence, cost efficiency and encouraging quality work, the policy requires capital metro to continue to use five-year contract terms for external audit services and a formal consideration of audit firm rotation by the finance and audit committee after 10 years of audits by the same firm and every five years thereafter. No changes are recommended to this policy. So this concludes my presentation, and I'll be happy to answer any questions you may have. >> Any questions for Ms. Williams? I think board members know that legal and staff are in the process of looking at each of our policies on a

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regular and scheduled basis so this is part of our regular work plan to update and refresh our policies. Anything you want to add to the presentation? >> I don't need to add anything to her presentation, but I will say we will have a schedule for you for the next year in the next few years. >> Commissioner Travillion? >> One question I do have. I've read through it and how do you plan to manage for variances? Operating procedures are outstanding, but what happens if there is an unusual set of circumstances that's not covered by your operating procedures? Have we contemplated that and how we would create an alternative or an exception when necessary? >> Thank you. I believe the way that the procedures are drafted, it allows for any situation that would require us to make an exception. And that is the flexibility of having this as a staff

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managed operating procedure. It allows you to look at every individual case and all the factors that would affect the decision that the real estate or rail department would make with that crossing for whatever it may be. So I believe this procedure allows for that and making the safest decision, the best decision for the agency. >> Okay. All right. >> Other questions? I assume if there's a deviation from the policy it goes to the president or head of that department that you've mentioned owned it or who has final signoff on it? >> Final signoff is with real estate with input from risk and safety, and if it did rise to that level there would be consultation with the president and CEO. >> Other questions, board members? The chair then would entertain a motion with respect to this action item? >> Move approval. >> Vice-chair Garza?

[2:17:24 PM]

>> I move that we rescind the metro rail fencing policy, the railroad grade crossing policy and Mike no revisions to the policy on rotation of auditors. >> Second. >> Member Travillion. Discussion. Anybody? No discussion? Then all those in favor please indicate by saying aye? Any opposed nay? Motion carries 8-0. Thank you. Next up action item number 7, approval of the a a revised policy. >> Every two to three years we come to the board and ask for a revision of the policy to ensure we're catching up with the current regulations. So the main change in this policy is it has raised the

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threshold from 3,000 to \$10,000. That's the biggest change. Others are catch-ups which we have done and make STAAR the citations that were incorrect, we fixed those. We have mentioned sbe and dbi. Initially we only used to have dbi in our policy. If percent. Under the -- the one thing I would like to mention is this document is reviewed by fta every three years when we have a tri annual review. This is the year, fall of this year, fta is going to ask for review of the documents and next when we they come

they will let us know any deficiencies and whatnot. In the past, last time they reviewed the tri-annual there were no revisions to the policy. So with that I'd like to request the board to approve the policy and answer any questions you may have. >> Thank you, Mohamed. So the chair will entertain

[2:19:26 PM]

a motion with respect to action item number 7, which would authorize the president and CEO or his designee to amend the cap metro acquisition policy, as we've been provided to ensure compliance with current state and federal regulations and to raise the capital metro micropurchase threshold to be in alignment with the federal micropurchase threshold. Is there a motion? Motion by member Stratton. Second? Second by member Renteria. Any discussion? Members? No discussion? >> Well, just a couple of things. >> Member Travillion. >> I've looked at the acquisition policy and also the micropurchase procurement recommendations and my question is how do we document? I assume there would be a number of dba and sba

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qualified firms that are able to make bids on these projects. How do we make sure since it's a shortened process, how do we make sure that we get adequate rotation among -- and make them available for all of the folks who are certified in those areas? How do we document that we are, I guess, three bids, but that we rotate to make sure that the same firm is not used all the time? >> Sure. For the small purchase, which is our threshold, is 50,000 and it's a state slated threshold -- slated threshold. So we make sure that we complete and we ensure that adequate numbers of sbes are sent the request for bids for those. For the micropurchase, it's the same thing that we asked to rotate as well too. And in addition to -- since it's a single bid folks can go and procure the items. Procurement departments

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every two months reviews all the transactions done on the card and if there are any inconsistencies then we discuss with the customers about that. >> Is there some type of preclearance policies so that we know the pool that we're working with who's precleared, who has worked with us before? Some type of after action report so that we know that the firms that we've used have complied with the -- and have met our expectations? >> For the small and anything formal, we have our office of diversity, their assigned sba, dba goal. Before we come to the board that scrutiny happens if the bidders have met that goal. >> Okay. >> Other questions? Very well, then we've got a motion and a second. All those in favor say aye? Any opposed nay?

[2:22:29 PM]

The motion carries 7-0. Thank you. Next we have action item number 8, approval of the implementation of capital metro's fiscal year 2020 strategic plan. Pat vidurra. >> Good afternoon, board members. Pat vidurra, director of performance and strategic initiatives at capital metro. Prior to this meeting we held a work session to discuss the findings of the 2019 strategic plan as well as develop a strategic for implementing a 2020 strategic plan. So this resolution that we are requesting formalizes that process so we R. Requesting approval of a resolution authorizing the president and CEO or his designee to implement the fy2020 strategic plan. I'd be happy to answer any questions you have. >> Questions for pat? Again, for those who may have just joined us, this was the subject of a work session at 11:00 earlier

[2:23:32 PM]

today. So we got a full briefing. No questions? The chair will entertain a motion for action item number 8, the implementation of our fiscal year 2020 strategic plan. Commissioner Travillion, your light is on. Member kitchen? >> There's a motion and a second -- >> I'm open to questions. >> No, just turn your light off. [Laughter]. Member Mitchell with the second. No discussion? All in favor of the motion please indicate by saying aye. Any opposed nay? Motion carries 8-0. Thank you, pat. Next up mayor hill and other members, once a year at the beginning of the year it's my responsibility to dieses I guess Nate members of --

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proposed members of each of our two committees, finance and operations and then it's up to the board, the whole board to approve those recommendations. So my recommendations are that with respect to the finance audit administration committee that we retain Terry Mitchell as the chair and that I serve on that committee, member Renteria on that committee and our newest member, mayor hill, on that committee. And then similarly I would recommend that as to the operations committee, member Travillion serve as the chair, vice-chair Garza and member Stratton serve in 2020 as members of the operations, planning and safety committee for the 2020 calendar year. Those are my recommendations unless my lawyer down at the

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end of the dais tells me otherwise, what we need is a motion to approve those recommendations or change those recommendations and then vote on that. So is there a motion with respect to those

recommendations? >> I move that we accept that. >> Member Renteria with the motion. Is there a second? Seconded by member Stratton. Anybody want to take the con or discuss? All right. Very well. If there's no discussion, all those in favor say aye? Any opposed nay? Motion carries 8-0, thank you. And finally,, finally on the agenda, action item number 10, likewise every year in January typically we need to elect officers of this board. And so we'll need a motion. Member Mitchell. >> I would like to make a motion that we retain the officers that we had for 2019 and that would be wade

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cooper as chair, member Delia Garza as vice-chair and Eric Stratton as secretary. >> Thank you for the motion. Is there a second? >> Second. >> Second by member Travillion. Any discussion? Anybody want to opt out? [Laughter]. Anybody want to fire the chair? [Laughter]. Please. Laugh L. >> You sure you still want the job, Mr. Chairman? >> >> Very well, if there's no discussion, all in favor of the motion please indicate by saying aye? Any opposed nay? Thank you for your confidence. I will say it is a privilege everyday to represent this organization out in the public before the city council and other places that we go. It's always good to say I'm with capital metro. We're doing a lot of great stuff out there and people on the other side of the dais are doing that great stuff so we appreciate you. Next on our agenda we have a discussion item, a status report. Dottie, the floor is yours.

[2:27:41 PM]

>> Good afternoon again, I'm Dottie Watkins, chief customer officer and chief operating officer. And as we have presented to the board previously, we had at the beginning of January a transition of our bus services from two contracts to one and so I wanted to just update' how that has gone. If I can get the due hickey to work. Just a few slides to talk about the highlights of the transition. Easily the heaviest lift in this has been the people transition, onboarding the incumbent staff from the former contractor atp deaf had to be completed, and that was about 800 employees. All of those employees needed to get train, needed all their documentation to their employer as well as go through the open enrollment. Then it looks like a little bullet, but it was a very heavy lift also to conduct our operator markup. So under this contract now that we are operating both

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garages under the same contract and the union and MV are working toward a single collective bargaining agreement, they agreed that it should be done with a combined seniority list. So for the first time all of our bus services were bid under one selection of work, which was a pretty big deal for our folks and we were pleased to see that get concluded actually earlier than even our normal markup would. Labor negotiations between nv and the amalgamated, the parties reached an agreement in

early January which allowed them to establish kind of the rules of engagement and what they're working under while they continue to negotiate. It held everyone's wage rates steady so folks basically were continuing at the rates they were while they continued to negotiate as well as incorporated all of the employees on to the insurance plans for the south garage, which as you may recall from prior presentations, is the more

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rich of the health insurance plans. And so that also was incorporated into that transition agreement. The parties continue to negotiate. They negotiated earlier this month. They're scheduled to negotiate again in February. And I understand intend to exchange information via email even in between their formal negotiating sessions. So we're pleased with the progress that their making. In addition to the people we also had a lot of assets that were touched by this. Our vehicles we had to inspect all 423 of our buses. They all received about a six hour joint inspection in the months of October and November. And as well as a walk around inspection the weekend of the transition to double-check for the condition of the vehicle, body repair, major fluid leaks, that sort of thing. Any unresolved issues with the vehicles will be charged back to the prior contractor, atp deaf. As well as the facilitates

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inspections, same process, we completed inspections of all of the facilities as a we mind under this contract this facility as well as our administrative annex at 624 pleasant valley and our north operations facility, the building maintenance is handled by our bus contractor as well. And then last but certainly not least we launched service on Sunday, January 5th. It feels like just yesterday, it feels like months ago. Easily one of the keys to our success during the launch weekend was the participation by the union. It was very important for us to have a united front in getting service out the door and the union, Brent Paine their president and his stewards were present during pullout for days and days in a row, helping folks understand what was going on. With the combining of the seniority list there were some employees who were showing up to work at a new location for the first time.

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So both the staff and the union worked in partnership to know what was going on. So that was really nice to see and quite frankly, a level of cooperation and support that we have not seen in the past. So we were quite pleased to see that. We have experienced some service quality issues. There was some operator training that was not as complete as we had hoped it would be by the service launch. The express routes were the most impacted by our combining of the seniority and we regaraged some of our routes to be most efficient so all of our express routes used to operate out of this facility they are now

operating out of our north ops facility, which actually is saving us a good bit of money in terms of deadhead costs. But with that they have experienced disproportionately a higher number of operators new to that route because they changed facility and those operators, while trained, they did have some training issues. So clearly the training was not sufficient. So we've had some late trips

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on our express routes. We recognize our express routes customers are very schedule sensitive and so we've been monitoring those very closely. We believe we've worked through those issues, but there have been some issues and there have been some negative comments from our customers and I wanted to be transparent and share that with you. We do continue to see improvement on a daily basis in terms of everything flowing as we would expect. And nv continues to bring in additional resources to support the contract both in operations, the vehicle maintenance arenas as they've identified the need for additional resources they're bringing them in to help make sure that we have systems in place and make sure that we have things running smoothly so we can have a high quality of service going forward. That concludes the overview of information I had to share with you today. I'd be happy to answer any questions you may have. >> Questions? >> Could you provide us a little more detail on the issues on the express routes?

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So that I can understand the order of magnitude of customer feedback that we've gotten U. >> So specifically what the most common issue that we have experienced has been getting buses off the yard on time in the mornings. And so the snowball of that is that buses go into service late and then it takes us a bit to kind of recover the service. And so those commute trips typically there's a bus of customers waiting for that specific departure and when that departure is running 10 minutes late it means that their day is going to start delayed. >> So how many complaints have we gotten? >> I don't have that information at my fingertips, but I'd be happy to get it this afternoon. >> I just want to understand order of magnitude. I need to understand are there a few or a lot? I understand it's improving and I appreciate that, but I think from a board perspective I can't understand the degree unless I have some kind of either number or percentage or something that tells me how

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much of a problem it's been. >> Sure. I can provide that information as well as on time performance of the routes. This has been problematic. And so it's not awful, but it's not been great. So we definitely have room to improve. >> Okay. There's nothing else you can give me in sort of order of magnitude? >> I'll say that I think Dottie is trying to hit the nail on the head here in that we are not satisfied fully with

the service. Clearly it's better today than it was on day one. >> Okay. >> And we definitely see -- last week it definitely improved from Monday to Friday as an example. Friday was probably our best day in the entire month. You're probably looking at most days a couple of trips is the order of magnitude. So it's not like we have hundreds of buses delayed. If we do, that's called traffic. That's what we unfortunately deal with in P.M. Rush hour every night so there's so much delay there versus the distributionality of traffic. But most of our express buses we're talking a couple

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a day. We've been incredibly proactive with supervisor or management staff at those locations in the morning. >> Okay. >> Dealing specifically with customers and doing an extensive amount of communication back and forth. So I would say the 985 out of Leander lakeline piece and the 980 out of round Rock were probably the two that probably got unfortunately the most -- most impacted. >> Okay. >> But we feel like that's stabilized and we'll go back to running at that top rate that we were providing up until a couple of weeks ago. >> Okay. And do you feel like the 801 or the 803 have been impacted? >> Not significantly. We've had some issues. The biggest issues with the 801 and the 803 are the peak hour. Unfortunately that situation is not resolved for us, but it's no different than prior to the transition. >> On the express, the other -- so Dottie is correct that we're going to continue the work at making that service better. We also are experiencing very heavy loads on our --

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and demand on those routes. Many of our routes are, our blocks are at full capacity. So far that further implicates -- impacts the route, which may slow it down even more because it takes longer to load and unload. So that's why we appreciate the board moving forward on a couple of -- at least two more buses. And ridership has grown 15 straight months and it is starting to push on the system. So Dottie has to work with her team to think about every little thing they can do to tighten every schedule to provide as much service as possible. So we're going to keep working on that and the city of Austin is specifically has been a great partner on whether it's red paint going down on lanes or other little things. Every little second helps us try to get as close to on time performance as possible. >> >> With regards to the negotiations, I'm glad to hear we're in a temporarily holdover situation, but, you

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know, similar to the concerns I've had in the past and I know our hands are tied to the extent the board can get involved, that being said -- and at the same time, the numbers have to work out. You can't be providing a service for minimal or no -- not profit, but for the cost it takes to have nv running the program. If, hypothetically, if we knew that there was a number that could get us to a place& where we

all had what we would like for our drivers, which is fair pay and good benefits, could we do -- could the board do a budget amendment to that contract amount? To achieve -- and if you can't speak on that and this is an executive session question, that can be --

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>> I would say that was something we would want to consult with our legal team on and figure out where our latitude was where that's concerned. >> Understood. I'll talk to legal about that. Thank you.  
>> Member Stratton. >> I want to thank board member kitchen. I was going down that very path with the metro express. I've seen some of that firsthand, but recognizing that in general we've had issues with metro express because it already was a highly popular service and we've grown and during the time we were forced again because of federal unfunded mandates with positive train control to shut down at least temporarily for some several months the use of the red line coming out of Leander, we had to make up that with further use of the metro express bus service. Now then we've got folks who are using that service feeling comfortable with it, so now then we've got this kind of systematic shift

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over to those buses trying now then to get folks recognizing, hey, the train is running again and while we don't have the brand new fancy shiny platinum plated downtown station running, there is a downtown station running so yes, you can still go back and take the train. Until we can get folks understanding that, we've got this extra shift, plus in general people are using the service more anyway. And I experienced that firsthand coming out of a meeting and I happened to run into a friend of mine and had a conversation, a long-time friend using the service and has been using both the train and the bus. And unfortunately on that particular day we were at the end of the line for the 985 and we had a couple different buses pass us. And again, it was because of the critical mass, the numbers, the -- by the time you got to the end of the stop, and there were 15, 20 people there, but it was the

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last stop on the line before you head up on mopac. It was right there on Cesar Chavez and the numbers there. But when you take that and throw this other hitch in it with transition issues associated with, you know, contract changes and with driver changes, it really kind of takes a perfect storm and then turns it into a category 5 hurricane, as it were. So I am not -- I just wanted to say I understand and completely appreciate what we're dealing with here. We're basically more popular than we ever expected ourselves to be, and this is a good problem to have. This is in large part why we need project connect because we need to be able to take these folks and figure out ways to move people even more effectively and have

more resources to do so. So I want to thank you all for the attention, I know that you and your team behind the scenes have been

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really looking at this hard, you are aware of it, you know the concerns that have been coming in from customers. You are trying to figure out ways to alleviate this issue and work through this. And so I want to just publicly state and thank you and your team for everything you have been doing to try to do that. It's not an easy answer and it's not an easy fix and I get that. Being firsthand boots on the ground, that many of the customers who are out there, while they were kind of concerned and frustrated, they too recognize that a lot of -- you know, some things that, look, you are only as good as the traffic that is Austin even if you are trying to ride a bus, you are still riding a bus, and folks I saw really kind of got it. That said, getting back to the contract issues, again, recognizing this is a massive undertaking and you're trying to take two massive contracts and merge them into one and bring all these drivers together and move the pieces on the puzzle board -- on the board and get them all together and sounds like you were

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saying you move the rapid buses into the other garage, into the north ops garage which had never been done before. We did experience those problems, and my question is -- and with the training associated with that. How much -- how much leeway are we as capital metro giving MV, how much do we look at that and go these were kind of largely hiccups, none of us expected this kind of thing to happen, we're trying to on board a massive other garage and bring these people on and how much does capital metro look at this and go you know what, we expected better and didn't get what we expected and are we considering the possibility of liquidated damages back to MV for not meeting the level of contract you'll responsibility that we expected specifically on those days and for those metro rapid routes -- excuse me, express routes? >> Our contract includes

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performance deficiency credits. So each instance will receive a performance deficiency credit as detailed in the contract. >> Does that information -- do we get information presented back to the board periodically on that or is that something that tends to stay more at staff level? >> That typically tends to stay more to staff level. It's a granular invoice to invoice process, but we have a standard and when we don't meet the standard, we will assess the pdc and at the end of the month look at systemwide performance and then we have penalties and incentives associated with those. >> The way we as a board would manage that would be more along the lines of looking at the strategic plan and the key

performance indicators. >> Correct. The systemwide key performance indicators incorporated into the contracts are much the same as those incorporated into

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the strategic plan. >> I just have one comment. We definitely noticed a pretty significant reduction in rail customers while we went from salttillo to downtown and that was expected. The last two weeks we've noticed ridership back up to pre-construction levels. So the idea of yes, we've got to get more bus customers back to rail we feel has already happened, and the reality is we're up on both. So the overall total is higher and so all of our trips, we actually got some complaints last week of people saying the trains are overcrowded, will you run more trains. We can't run more trains until we have more double tracking because the trains can't pass each other. We don't have the infrastructure to run the service level that is clearly becoming a need for the red line. This is what Dave deck and his team are working on, doing optimization analysis. Dottie is thinking how to

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constantly move every bus or rail piece to do that. We're going to keep trying to squeeze every ounce of water out of the same stone. But at certain point our community is growing rapidly and, you know, project connect hopefully will be the future big piece, but we're going to need over the next few years to figure out how to run more service. >> We're looking at was it 14, 15 months of history -- 15 straight months of growth month over month, correct? >> Hopefully I'll be back to announce 16. The reality, we're a agreeing community, people are going to want more of our service. >> We're doing the best we can with what we got. Just the fact of the matter is this is why project connect is important. We just need to be able to do more. >> If it's full tomorrow, it's probably going to be pretty full in 2028. >> Member kitchen. >> I have a question about the people transition.

[2:47:03 PM]

I'm just occur reduce on the intake of the 800 employees, -- curious. How did that go? Were all 800 on boarded? >> We tracked employee by employee. There were a number of folks who took this opportunity to retire or move on, but we tracked employee by employee to make sure folks didn't slip through the cracks. >> All of them or most of them? >> The vast majority. There were -- I don't know, 20 or so, looking to see if my mvcompadres. We made sure everybody made the transition. >> Was it their choice? >> Off the top I'm not certain, but I could double-check. >> The last thing I would say is I wanted to echo what vice chair Garza asked and I wasn't sure if you were going to provide information to all of us and I would

[2:48:04 PM]

like to see that information also. >> Sure. >> Other questions? For Dottie. Vice chair. >> This hold over period is for -- holdover period is for how long? I'm wondering for possible executive session discussion maybe that happens at our next operations subcommittee meeting. >> It does not have a date certain. It was while negotiations continue so while they anyone in good faith bargaining, so there's not a set expiration date. >> Okay, well, then can I -- I would like to request an executive session at our next operations about the contract negotiations. >> Okay. >> So just for clarity, an executive session of the board at the operations committee. >> No, not of the board, of the operations committee. >> Okay. >> If others want to

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participate, I'm sure they are welcome to as long as it's posted? >> I just wanted to clarify what you meant. >> Other questions? Kudos to the staff for getting us to this point. I think, as you see, we're all more interested in how we're doing on catching up with the service. So next month we'll look forward to another robust presentation on how we've done both with respect to service but implementation and contractual issues as well. >> Great. Thank you. >>En that you, Dottie. President Clarke. >> Thank you, chair. To wrap up the meeting, president's report this month, a couple things I want to highlight. Some really good community events that we've been doing. First would be the mlk day celebration and March. Many people on the dais were out there. And we had a great turnout from our cap metro family. Lots of people actually

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brought their family. Most people that know the history of mlk really know he and a lot of people in the civil rights movement fought heavily for equal opportunities on transit. I was really happy to see that. I was happening to see transfer Austin, a nonprofit, talking about the value transit was out promoting transit as well so we thank them for that. The next piece I want to mention was our electric bus rollout. So this here, it was probably one of the most fun days I've had in just under two years at being at cap metro. I want to first thank the staff. You know, I remember when I first got here we looked at our strategic plan and bus replacement program, and the board may recall the electric bus -- getting our first two electric buses was not called for for a little bit longer time. So staff was able to reduce that down by almost a year and a half. So really accelerated our

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program to get us moving forward. And they did an incredible job. These ones happen to be P proterra. We're trying two different manufacturers. About out the kids were just amazing and so happy. I love how the theme was sustaineddability and what the electric buses mean to climate change and ultimately their future. These buses are a lot more about their future and how we need to do our part to make a cleaner world. But the leadership of the schools was fantastic, Austin energy, I wanted to thank the vice chair, she was the keynote and did the speech. But these buses will be on routes starting -- I think they started today and they will be all over the service area so they are not going to be on specific routes. We want the entire community

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to see and feel these new electric buses, the bus of the future, and to celebrate the kids from Campbell elementary school artwork. I also want to highlight yesterday creative action community event, we featured the same buses -- one slide a little early there, but creative action opportunity hosted a really great arts and community event and I want to thank board member kitchen. You know you were there and did comments on that and there was a lot of people there. I think it's great cap metro celebrating arts and culture inside Austin with our new infrastructure. So thank you. Next piece would be Rosa parks day is coming up as part of black history month, and on February 4 on her birthday, a few agencies have done unique things to celebrate Rosa parks. Last year board member Travillion led the tradition to name our board room after

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Rosa parks. What going to be interesting this year, we've decided to put decals on a seat in each bus and recognizing what Rosa parks did regarding access to that. And a couple other agencies around the country are following suit on that. It's a nice way of everyone in the community remembering a key person that has made the country better. And then last I wanted to mention we've had some new hires, but I wanted to call out specifically, director of people and culture. We used to have a H.R. Department and we decided that the more appropriate name is people and culture. Because that's where we are, right, it's about people and a culture and organization and how everyone should feel comfortable here, and yet really work hard for our commission and our community. We were lucky to get Terry Thomas, Terry goes by Thomas. Thomas has 20 years experience in H.R., was the director of H.R. At rail car

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hard for our commission and our community. We were lucky to get Terry Thomas, Terry goes by Thomas. Thomas has 20 years experience in H.R., was the director of H.R. At rail car industries and has a mba in H.R. And management training. And I think he's just going to be a great addition to the team. We thank Virginia Kealing for all of her efforts. She is now officially retired and enjoying the good life and Thomas is here now to help move our department forward as cap metro continues to grow. So welcome Terry -- say it

[2:58:14 PM]

again, welcome Thomas. I'm going to mess that one up all the time. Welcome Thomas and with that, chair, that is the president's report for this month. >> Very good. Thank you, president Clarke, thank you staff. Particular thanks to everybody that helped with the joint meeting last month with city council. A lot of work went into that, great presentation, really a big step forward for the community. So I'm sure a lot of people worked late hours to get that done and we appreciate it. With that, unless there is any new business, we'll stand adjourned at 1:46. Thank you.

[5:55:33 PM]

[Music].

[6:06:30 PM]

>> Okay. It's 6:06 P.M. On January 28th, I want to. This is the planning commission in council chambers. I would like to call this meeting to order. Mark, if you will get us started with the roll call and then we'll do citizens communication and then you will help us with the agenda. [Roll call].

[6:07:41 PM]

>> Thank you, Mark. We've got one citizen signed up, Stewart Hirsch. Come on up. You will have three minutes. >> Chair and members of the commission, Stu from Drew and I wanted to share with you the latest data that we received from the folks at the Imagine Austin link and from housing works. District 2 has experienced the highest increase in rent and the highest increase in the percentage of cost burdened homeowners. District 2 is a 55% home ownership district in a city's only 45% home ownership. District 2 has a median family income that is \$40,000 below the citywide median family income. District

2 has home sales prices that are \$150,000 less than the citywide home sale price. District 2 has 51,721 latinx

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residents in a city that according to the latest point is 33.8 percent latinx. District 2 has 14 percent of the city's income restricted housing. District 3 on the other hand has 19% of the city's income restricted housing. Draft 3 was the only district to have a significant decrease in median family income. Draft 3 has the highest percentage of cost burdened homeowners. District 3 has a latinx population of 47,561. District 3 is 72% renter and 28% homeowner. District 3 has a median family income of \$46,797. Dry has a median home sales price of \$370,000. The poverty rate in district 2 is 19.2 percent. In the district 3 it's 26.8%. And citywide it's only 15%. And district 2, district 3 and citywide there are more

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men than women. That's the latest information we got from the imagine Austin link. Thought I would share it with you as you take up your recommended code amendments and zoning changes to the city council. Thank you very much. >> Thank you, Mr. Hirsch. Mark, if you will please read the agenda into the record? >> Beginning with a, approval of minutes. B, public hearings. B1, code amendment went 2019-011 removing residential uses from the a3 zone of the airport overlay offered for consent. B2 reso zoning, Karen 2018-0121, 218 south Lamar. Staff postponement to February 25th.

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B3, zoning/rezoning, Karen 2018-0154, Austin green. Staff postponement to February 25th. B4 rezoning case c-14-2019- c-14-2019-0107. Sh, diamond 42, staff postponement to March 10th. B5, rezoning case, c-14-2019-0108, parker house. Staff postponement to February 25th. B6, plan amendment, npa2019-0013.01, Copeland south. Offered for indefinite postponement. Case b7, plan amendment npa2017-0021.01, east

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riverside-oltorf Flum amendment. Applicant postponement to March 24th. B8 is a plan amendment npa2018-0005.02, Mary vice estates pud lot 27 amendment number 1, offered for indefinite postponement. Case b9 rezoning, c814- c814-97.002.01, Mary vice estates pud lot 27 amendment

number one, also staff indefinite postponement. Number b10 rezoning c-14-2019-0003, lantana block 3, lot 3, offered for postponement to February February 25th, R. And b11 is a restrictive covenant amendment case c-14-85-288.8 c-14-85-288.8, rca5, lantana

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block P, lot 3, staff postponement to February 25th. B12 is a videophoning case, case c-14-2019-0168, Moore's crossing mixed use live work, offered -- this was a innovation error, no action. Case b13, rezoning, case number c-14-2019-0151, the color field is pulled for discussion. Case b14 rezoning, case c-14-2019-0152, castle east, pulled for discussion. Case b15, rezoning, c-14--2019-0163, medical office, offered for consent. Case b16, site plan cup,

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spc-2018-0417c, Pease park Kingsbury commons, offered for consent. The final case b17, final plat resubdivision, case c8-2019-0092.0a, Dell children's subdivision, offered for consent. Then on to C, future agenda items. This concludes the future agenda items was not on the consent agenda. The consent agenda ended after b17. >> Thank you, mark. Commissioners, I'll go over the consent agenda first, consent items and then postponements. And if staff will just double-check as I'm reading this out. Approval of minutes for January 14th. B1, b15, b16 and b17 are for

[6:14:58 PM]

consent. B2 is postponed by staff to February 25th. B3 postponed by staff to February 25th. B4 postponed by staff to March 10th. B5 postponed by staff to February 25th. B6 postponed by applicant indefinitely, -- indefinitely. B7 postponed by the applicant to March 24th. B8 postponed by staff indefinitely. B9 postponed by staff indefinitely. B10 postponed by staff to January 25th. And b11 postponed by staff to February 25th. And I don't have any record of anyone signed up against these postponements. I'm going to ask now for any recusals. Commissioner hempel? >> On consent b3 and b6, they're my clients.

[6:15:58 PM]

>> Okay. Any others? You 13 and 14? >> Those are for discussion. Do I recuse myself now? >> Yeah. Let's talk about those right now. >> B13 and b14 recusing. They're a client of mine. >> Thank you.

Commissioner Anderson? >> B8 and b9 these properties are owned by Austin habitat for humanity and I work at Austin habitat for humanity. >> Okay. Anyone else? Any comments? Okay. Hearing none is it there a motion? Motion to close the public hearing, approval of the minutes and the consent agenda. Motion by commissioner Thompson, seconded commissioner aczar, all those in opposition raise your hand? -- In favor raise your hand? All opposed? That passes unanimously. Let's keep this moving and move on to item number 13.

[6:17:05 PM]

So who from staff is coming up for item 13? Go ahead. U. >> Commissioners, members of the board, my name is mark graham, senior planning representing the planning and zoning division. Regarding case c-14-2019-08151, the colorfield. Presenting -- this is a case for rezoning. Let me start with the location. They're in the block -- one block north of -- I'm sorry, one block west of north Lamar street between tenth and 11th street. This is a location that's pretty widely known in the community as the graffiti park. Both of these cases composed part of the graffiti park.

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The colorfield part of it is the lower part that fronts on burial street and the address here is 10006 Baylor. The site is an east-facing slope. It's about two-thirds of an acre located reasonably close to downtown and near the Lamar activity corridor. The applicant has requested mf-6 for their base zone, moving an upzoning from the mf5 existing base zoning. The mf5 zoning was achieved in 2011 when they -- 2007 when they moved from mf4np to mf5 with conditions and a neighborhood plan. Staff is recommending this case with a condition of a height limit to 60 feet. >> Thank you, mark.

[6:19:06 PM]

Applicant or agent, Alice glasgo? Come on up. You will have five minutes. >> Thank you, chair. Good evening, commission members. I'm Alice glasgo representing the applicant for items 13 and 14. And I'm going to start off my presentation with item -- item number 13. So the map in front of you shows you the subject tract. This is at 1006 Baylor street, and as staff indicated our request is to mf 6 co and the conditional overlay will limit the height to what we have today in the current zone. We have a site plan currently in-house or the site plan has been in review for the last two years or so and during the site plan process the comment was that we exceeded the F.A.R. Under the mf 5 zoning.

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So the Orange is the site area, . Mf 5 allows a floor area ratio of one to one. The site is 29,330 square feet. That's the Orange area. The additional F.A.R. Of .5 is the 14,238 square feet. So under mf 6 the only thing we would be getting is additional F.A.R. Of 14,000 square feet, plus as indicated there, for a total of 1.5 to 1 F.A.R., that's what the architect has determined. So we are subject to compatibility standards, so from the north to the south and all the way down to Baylor and Blanco you have single-family homes, although they're zoned multi-family and office to the south of us, the properties north of us is zoned go- np. They have a height allowed to go up to 60 feet with a floor area ratio of I believe either one to one on G.O. The mf4 zoning districts can

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also go up to 60 feet of height allowed in zoning with a floor area ratio of one to one. So I point those out because of some comments you may hear from neighbors about our zoning. We're maintaining the height that is recommended by staff of the 60 feet that we have. The floor area ratio is really the only thing that we need in order to accomplish that footprint of an additional 14,000 square feet. And I will pause here. We've been working with the neighborhood association, old west Austin neighborhood association. Obviously since 2007 when the case was first rezoned to mf 5 we had neighborhood support. We took a year, 12 months, to negotiate the agreement between the neighborhood contact team, councilmember Morrison, before she joined the council she was chair of the contact team. We negotiated the mf5 with a number of units limiting the number of units on this side to 14. And on the next case we agreed -- we have a private

[6:22:10 PM]

restrictive covenant that restrictive covenants that site to 12 units. And we're obviously willing to agree to that. We honor that covenant because it's still in effect and we're even willing to make that as a conditional overlay limiting the number of units based on the covenant that we agreed in 2007. So the issue that has come up has to do with connectivity and we are supportive of connectivity. The question is where and whether the city will accept. So we can get to that discussion a bit later, but I'd like for my client, the owner of this property, to walk you through some slides he has about the building footprint and what has been signed and what it is we're seeking and what the F.A.R. Differentially is in the east. Thank you. >> And is that Mr. Cumby. >> Yes. And he has time donated to him. >> You have time donated by Melissa brown. Is she here? Thank you. So you will have six minutes. >> Thank you. I'm Bryant Cumby, mid city

[6:23:12 PM]

development. I'm the guy that bought the graffiti park. It's been quite a journey since that time. We have had to deal with any number of issues, as I know you can imagine. We have -- we developed as a standard rule we develop in the urban core. That's what we do. We operate inside the neighborhood groups. We dealt with owana on another project that we dealt with around the corner on ninth street and we've always held up our end of the bargain on anything that we have agreed to do. Frankly, I think that the request that we've made is pretty reasonable. We've been working on this for at least a year. We've had I think four different sessions with owana, and frankly thought that we had an agreement.

[6:24:13 PM]

We do support connectivity. I'm having a little bit of difficulty with the fact that the notion of connectivity is somehow becoming completely my responsibility. I have agreed to participate, I've agreed to participate financially in improvements relative to creating connectivity and I've agreed to work hand in glove with the owana and anybody at the city that wants to talk about how to do that because I think it's important not only to a1-800-in a, but it's important -- owana, but it's important to our project and other projects in the neighborhood. When we determined that we were going to be here before this body, we felt like we had an agreement that we were going to get through this and get on with the process. We've been in the site development permit process for an extended period of time. This site's challenging. The topography of this site is some of the most challenging in Austin.

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So that in itself creates an issue. There's also a lot of misinformation about what we're doing there, so I may take just a moment to just make sure that I'm on record about what exactly our project is because even as late as this morning there's reports in the media based on the application that's been put before this body about what we may be doing, which suggests that we're doing 22 units here, and we're not. There's two lots, there's two separate zoning cases. I have the lot down facing Baylor street, and we intend to do a 10-unit building and it's the same building that we've been discussing with owana since the beginning. One of their big issues when I bought the property was trying to bring closure to the graffiti park because for all the great things that have come from it, the

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neighborhood had been impacted in a variety of ways and so we responded and we dealt with that, and then we worked with them on trying to come up with the concept that would not con jest the neighborhood from a traffic standpoint. We've tried to come up with a product that will allow for families in the neighborhood, adequate parking on our site so as to deacon jest the streets, especially after -- decon jest the streets, especially after the graffiti park. So I come to this body tonight in hopes

that in particular with the recommendation from the staff that this request get approved. In fact, I think we were on the consent agenda until earlier this afternoon. I would like to ask your support in helping us move this terrific project forward. We want to work with the neighborhood. I know many of these

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neighbors by first name and I know what their particular interests are and they know who I am. And they know that we respond. And I feel like if we can move the process along, we can work together to achieve a result that everybody will be proud of. What I'm not in favor of is not having things forced on us in the ninth hour. I'm not in favor of that. I'm not in favor of being asked to basically sign up for a blank check to pay 100% of the costs for a pedestrian access project without any understanding of what that is that I'm agreeing to. There may be some developers in Austin, Texas that would say yeah, I'll do that, but developers that stand behind their work don't agree to things for which they don't understand. What I do understand is it's important to the neighborhood, it's important to our project. As I said, this probably won't be the last project we

[6:28:16 PM]

do in the west Austin neighborhood and we intend to work cooperatively to come up with something that works for everybody. But I think we need to be left to our own devices to figure out how to do that in conjunction with the appropriate departments and authorities down at the city of Austin. So I would appreciate it if you could help us by approving this request tonight. And we -- we're here, we've got multiple people here that can help answer any technical questions you may have. >> I've got Shawn she Willington signed up as -- shellington signed up as neutral. And then we have [indiscernible] Signed up as neutral as well. >> If you could put that map back up, that's actually super helpful. My name is Shawn shellington, I'm on the steering committee at the old west Austin neighborhood association. Like Brian said I've been walk R. Talking to him about this project for a long time. And like he said, I've been

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pushing for connectivity on this lot for a long time, especially from the bottom half, the way it connects to the neighborhood and Matthew's elementary school is up the street on the side to the left. There's really no way to get up the hill from here unless you go up to 12th street, which has really bad sidewalks and is a problem. The connectivity is totally blocked to the south. You can't get through to ninth street unless you go around to Lamar and then come back up. So it's a big issue and I think it's a big issue to the project as a whole. The same issue coming down. If you're at the topful hill, it's hard to get downtown, get to here, get to a lot of places wafer taking a car. -- Without taking a car. So I think putting in this

pedestrian connectivity through the alley or through the 11th street spot, I'm not set on doing things one way or the other, but I

[6:30:18 PM]

think it would be a tremendous benefit for the neighborhood, tremendous benefit for this project. I don't think it's going to be an exorbitantly costly thing. Some guys on the other side is already building a driveway down at the bottom. We're just asking these guys to continue it up the hill the rest of the way. We're open to working with them on exactly how to do that. We're not, you know, fixed on any particular method, but just want to enable people to be walking around in this neighborhood and not have to drive anywhere, which is kind of what's otherwise getting set up. I guess we're hearing the other case separately. I had some other comments that were specific to that one, but that's it for the bottom. If you guys have any questions, I'm happy to answer.

[6:31:21 PM]

>> Hugh Randolph, you will have three minutes as well. >> I am Hugh Randolph. As far as the colorfield, which is down the hill the lower part along Baylor, I am strongly in favor of the current design and my understanding is that they want to have the upzoning so that they can build what they have designed. And the height limit I think is good. I think that the massing -- as an architect I also think that it is a first run design. I am also a property owner to the north on Baylor, 1100 and 1102 Baylor. And I'm an architect for a property which is just up the hill, the dead end of the 11th. And I worked as an architect for the homeowner who lives on tenth tree and they're -- they share the south property. Their north property line is adjoining the graffiti park. So looking at it from all different angles, literally. And I think that the only question I would have is the

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details that you get when you upzone is if they do get the upzoning that they're allowed to build more than their current design. And if there's a process by which they could get the permission to build their current design, I guess -- there's all sorts of ways it possibly could happen. Alice earlier said that they were agreeing to -- there's a conditional -- in other words, mf 6 allows you to build taller, but they're accepting a limited height. But the colorfields is approximately a 40-foot tall building, and so rather than -- but they're allowing an overlay to have a further restriction which would limit it to 60 feet, and so it seems to me that if there's a way to limit it to whatever the current height of the building that is going through the site planning process, then I would feel much more comfortable. In other words, if their goal is to be able to build what they have designed, then if there's a process by which the rules that are changed, that would allow that, but not allow it to be more than that, then I would

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be strongly in favor of it. >> Miss glasgo, do you want to use your three-minute rebuttal? >> Obviously we need to have a conversation about productivity. We need to chat with atd. I have been involved with this project since 2006 and I have been involved with the council on other discussions in between regarding the right-of-way because we had to amend the right-of-way ordinance. The ordinance that vacated the right-of-way on 11th street, there was a condition of zoning to that ordinance that conflicted with the zoning in 2007 and the private rc. So with that amendment, former councilmember Chris Riley did ask public works

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and atd to look at the possibility of connectivity, and staff came back from public works and indicated because of the topography on 11th street that to them it couldn't provide A.D.A. Compliant connection and they did not at the time support it. However, this is 2020, we're still certainly willing to explore that. At the time, however, council did not ask staff to look at the 10 and a half street alley connection and that's the area that we may have shown you and I'll probably show you guys when we show -- between 11th and 12th there is an alley that is currently there partially from blanco, but ends right at the castle. And that is the city owns that right-of-way. The connectivity has never been explored. When councilmember Riley asked about the 11th street, staff was never asked about the right-of-way that the city Zones. We would like to explore

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that as my client brought up on this one, they're willing to participate. When we met with owana two weeks ago on the 14th we said we're will to contribute some monetary support should the city agree to construct that pedestrian connection in Thal, however, the amount would be to the discretion of the owners because they don't know what it's going to cost and you can't just agree to a blank -- I guess the point is they agree to it, the concept, it's just a matter of knowing how much and what. And they would just want to be able to pay a proportional share of their cost since they're not the only ones benefiting from the connectivity. When you look at your pro rata share or your fair amount of amount you have to pay when looking at the traffic impact, even the transportation staff will only assess you the amount to which your project is contributing, and the impact it's having from that project. So I think asking someone to pay 100% of the cost is not consistent with what you do and it's not consistent with what atd does on projects in

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the city where you have a traffic impact analysis and you have to just pay your pro rata share. That's all we ask. We're willing to continue the dialogue. Thank you. >> Commissioners, those are all the speakers. Motion to close the public hearing. All those in favor raise your hand? All opposed? That passes unanimously. Questions, commissioners? Commissioner Shaw? >> So so on this project you're gaining additional F.A.R. Any plans for that additional entitlement for affordable housing through any density bonus type program for this? >> We're not in a density bonus program and I think the only thing we're really getting is 14,000 square feet of additional F.A.R.

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>> We're just adding family units. The number of units that we agree to with owana was 16 units. We're proposing 10 so you have larger units that can accommodate families to you have have children go to school at Matthews elementary school. >> So just a question. How many more units could you probably get in under the current co? >> We're doing -- we're capped at 16 units. We're just doing 10. >> You could put in more. >> We agreed do a conditional overlay of 16 units. We have a private restrict with owana since 2007 and that agreement is still in effect. 16 units is the maximum. We can't go beyond that. >> So what would be the average sewage if you put in 16, do you know, units? >> My client is not planning on doing 16. He's designed -- the site plan he's submitting is 10 units is the latest plan that he's agreed to with owana so that the -- >> How many units can you get in under the current zoning mf 5. >> Same thing, 16 units. We're not getting any more, just the -- the square

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footage has increased because -- will you go back to the map? I think that's easier to understand. >> So you're still going to put in 10 units even if you don't get this increased zoning? >> They will be smaller units. They will be smaller if we don't get the zoning. We will be limited F.A.R. That's the difference. >> Commissioner Shieh and then Kenny. >> So miss glasgo, I guess I'm trying to understand the connectivity thing. Who is asking for you to pay 100%? I'm trying to -- >> The neighborhood association. Owana. >> I hadn't heard from them yet. So the other question is the area set out already that could provide for connect, pedestrian connectivity? >> The city owns the right-of-way. Currently if you could -- >> Going down 11th to Baylor. >> That's second, the the one with the graffiti. The one to the south, I call that tenth and a half street alley. You can see the castle is right in middle, right

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there. And then the alley from blanco comes all the way -- you had those homes way that have access to the alley. So the alley just ends right at the castle. So the city owns the entire right-of-way. Everything in red from blanco to Baylor the city owns. So our point is why can't the city explore the possibility of having your pedestrian connection right there. >> And how wide is that? >> It's 20 feet, same width. The same alley width. They're typically 20 feet wide. >> All right. And I guess right now I'm trying to think in my head as far as like you talk about accessibility, different things like that. Is this project also doing parkland dedication? >> We have to, yes, we will be -- >> Fee-in-lieu or are you doing actually fee dedication. >> Fee-in-lieu, we don't have land to dedicate. Eight or nine hundred dollars per unit, whatever the new amount is this year. >> Could that fee-in-lieu -- part of it as parkland -- parkland I've seen also be

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used for connectivity and maybe that's another way to help balance the monies between what is being used for parkland dedication fee-in-lieu as well as possibly the other funds. >> Correct. >> So those are different ways to explore to be able to get -- I guess to help put more in without paying all of it. >> Correct. We can certainly ask council -- obviously for the funds from the parkland dedication, I've worked on a couple of projects where from the dais the city council has directed the city manager, that had to be done from the councilmember for that district asking -- asking the city manager that funds for that project to be earmarked to that project because otherwise the funds go to the general fund. >> Right, exactly. So those are things that I wanted to bring up to see if you can explore. Okay. I'm kind of watching my time. >> We can explore that absolutely. >> The other question is as far as for the height. So is the 40 feet needed? Because my understanding from what I heard is it was 40 feet or is it 60 feet?

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What's -- >> Under mf 5 today we have the maximum height allowed is 60 feet. So is all the properties up and down Baylor. They are also allowed up to 60 feet. And so the property that the previous gentleman spoke to we have a letter of support from his client saying he supports our case as recommended by staff. And his property directly across from up the hill he can go up to the same height, 60 feet, so I don't know why he's objecting to our height. >> So the question I have is compatibility used right now to help keep the height -- keep the design where it's at? >> Yes, that height has been there from -- the compatibility standards have been there exactly, but from the north and south you have the 25-foot southbound -- -- set back, no improvement. 25 and 50. You know what it is. We all know that. >> Yes. So part of the concern I have right now is that the design -- anything happens. I've been part of development projects that end up recession hits and then we sell it as a paper

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project and somebody else goes at it. So my concern is if compatibility is being used to help design this, as well as the 60-foot height limitation, and let's say the new code comes in and it -- >> Changes what? >> If the current compatibility -- >> It's 25 feet. The new code I just double-checked today, it's 20 feet. The new code, the map, has our zoning designated as rm 2. That is mf -- >> So with the new -- with the new compatibility -- >> With the 20 feet. New compatibility, if -- if we were to be given the comparable zoning, which you would be rm 5, the compatibility is 20 feet as opposed to 25. >> Okay. >> So that's what is contemplated unless it changes between now and Friday. >> I think that's more of the concern because right now the massing, everything has been shown and everybody is -- you know, believes what's going to be coming. And if the -- if you're

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building to that current compatibility and compatibility changes and the owners change. >> That's correct. >> That's a concern. I want to make sure that as we're moving forward that that's predictable. >> I think it is. That's why we're here because we have -- the site plan has been in progress here and those rules have been in place. The compatibility standards are there today, they will be there even with the codenext. Next-next. >> Okay, thank you. >> Thank you. >> Commissioner Kinney. >> A question for the applicant. >> Hi. I just wanted to get clarity on a couple of details about the site. So the red line on the northern side of the site, that is privately held, correct? >> Correct. >> And that is where the current 50-foot easement is for the power lines that is going to be reduced to 10 when the owner is at their expense burying those cables? >> Yes, you see the power

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lines there. The electricity, the electricity power lines and then of course we're going to have other, water and wastewater, those also have to be underground and that would be the -- 25-foot can compatibility, 10-foot would be the -- and the retaining wall would be on the same side next to the house there. >> Current compatibility because there's some single-family use there is 25 feet from that lot line. >> Correct. >> And that is currently a no-build, nothing. >> Correct. >> Although we are changing that in the draft code to get rid of the setback for multi-use trails which is for some reason in the current code. And on the -- can we go back to the map, please? And then on the southside do I recall that the western half of that red line is already an alley. >> Yes. >> And that it's the eastern side that's just not developed. >> Correct. Just from the castle. It's halfway from between the castle -- from blanco halfway up to where the

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graffiti park is. That's where it's not built, and then from there to blanco it's access. >> And when councilmember Riley was exploring the connection, they were looking at the tenth or the 11th street. >> The 11th street. They never explored this one at all. >> Right. And I know the topography is challenging a both sides. >> Correct, probably about the same. >> And I have a letter from owana yesterday, dated yesterday, that is proposing I think the owner alluded to covering 100% of the cost of a pedestrian connection on the tenth street to that second half of it, but cost is uncertain at this point. >> Connect. And atd has not weighed in. They never even in -- in 2012 when I did the right-of-way amendment ordinance, they commented obviously on 11th street and so did all the utilities because they're concerned about the effect and the access. But not on the tenth and a

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half street. The long red line, the continuous red line. >> And your current plans that you're showing the rendering of, do those start pretty close to the 25-foot compatibility setback on the northern side? >> On the northern side? There you go. That's the building layout. So the gray bar on your right side, that's the northside. On this side. That's the 25 feet. You can see where the building is. >> What's that in the middle? >> In the middle where? I think that's the driveway. >> That's a driveway? >> Well, maybe not. Maybe -- >> [Inaudible]. >> It's flat. >> That will cut into the slope as it progresses.

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All right, great. And am I correct in thinking that the neighbor -- owana has not -- you guys haven't reached agreement. >> No. >> Obviously there's the payment for the improvement that is uncertain and then they're also requesting that the 11th street connection remain unfenced in the letter that I saw. >> We didn't see that. The same letter -- 11th street side remain unfenced? >> I can read it to you. It said further, the property -- I think they're speaking in kind of a future speculative sense. Further the property owners have agreed with the city to maintain a 10-foot wide utilities along the northern side of the subject properties. The property owners hereby -- I think this is speculative, agree to maintain open access, subject to city requirements to the entirety of such utility easement from 11th to Baylor. It being understood that the city may not allow any

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improvements within the easement. >> I have the same letter. I don't see the -- am I not reading correctly? >> My text is in blue that part. Maybe it's a late access. >> Access. That's the part we're talking about, the part we're talking about the gray area. >> The northern part. >> Correct. It's not -- because of -- >> You and I talked about the difficulties of building pedestrian infrastructure on top of the -- >> Yeah. So my -- my office is really willing to work with atd on this that's already there. Maybe we can work

together diligently. I indicated my clients are willing to -- working with all the financial buckets that may exist, another bucket that can be there is they would be willing to contribute. I would also like to add while we're at it that the existing alleyway for the -- for the next case, which can't have access. Again the agreement between

[6:49:51 PM]

us and owana from 2007 that would have access on the next case, number 14, we'll talk about it, from west 11th only and to the alley. So to the event that alley access is taken to that property for the next item, that would improve also connectivity because that has to be improved. I think as we continue to work together and obviously we need to talk to atd because they have not-- they have not been part of this dialogue. My hope was that we move forward. After tonight we continue to work with councilmember tovo and with her assistance we can get atd to help look at it and talk with the parks department and find out what financing options exist and what the feasibility of such a connect, pedestrian connection for the balance of the alleyway. And keep exploring it. It's sitting right there. >> Thank you. >> We're committed to really keep exploring it. >> Thank you. >> Any other questions?

[6:50:53 PM]

Commissioner azhar? >> Thank you, Ms. Glasgo. So I'm looking at this. So essentially what I've heard so far is in the current zoning and in the proposed it's 10 units and 10 units, it remains the same. There's an increase of 14,000 square foot and you've said it's to build sort of larger family units. And my one question was what is the per unit square foot if you were to design under current zoning and what is the difference in proposed zoning? So what is the per unit square foot? >> I don't think it's the per unit square foot because you get to decide whatever size units you want as long as you don't exceed the number. You can have smaller units or larger units and you don't exceed the number. You will have two bedrooms, one bedroom or three bedrooms. If it's a three-bedroom unit you will have more square footage. >> So that the understanding that now we'll have 10 three-bedroom units? >> Yeah, more than -- exactly. Instead of having more one and two bedroom, you would have more two bedroom units.

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And Mr. Cumby can explain that. The difference between mf, and I'll go back to my-- to this one. The Orange is what the current zoning, 1 to 1 F.A.R. So the floor area ratio is 1 to 1, 29,223 square feet. The white represents the additional area that would increase the floor area ratio to 1.5. So the difference between the Orange and the white is 14,328 square feet. That's what bumps us to mf 6 which allows us additional F.A.R. Without capping it one to one. So that's really the difference. >> So under the change I guess I'm trying to understand how many bedrooms are we talking about? How many units? Is there any

design of how many units and how many bedrooms? >> I'll ask Mr. Cumby to come and speak to -- all of them, 100%. He tells me all 10 units will be three bedrooms. >> Is there any idea under

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current zoning how much that would be? >> It's the same. Under the current zoning it would be I guess the 29,000 -- the same number of units, but I think the number of bedrooms in that case. >> That's what I'm trying to figure out. >> Two bedroom. >> [Inaudible]. >> He's going have to have a smaller unit. Maybe one bedroom and two bedroom units. You cannot have 100% one bedroom units, otherwise we would not be here, otherwise would have stayed with the current zone. >> And I have one more question. The right-of-way on the southside, you said the city has the right-of-way. How much is that? We know 60-foot on the northside, it would decrease to 10-foot when the power lines are put in. What is the right-of-way from the city on the southside? >> Approximately 20 feet. That's the typical alleyway width. >> Okay. And then one last question, this can be both staff and applicant. I'm trying to understand, so usually when we do these cases there's some conversation about community benefits. Was there any conversation at any point of what

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community benefits can we expect from this change in F.A.R. Coming from the change in zoning, like affordable housing. Commissioner Shaw had mentioned. Anything else? >> Well, we're willing to explore. We've indicated that we will explore the connectivity and my clients will -- are willing to donate some financial contribution to what's the construction of the pedestrian connection. However, atd, the city of Austin public works, they own the right-of-way. We don't. My clients don't own it. So it's really up to the city to decide whether they are willing to connect the Baylor and blanco alley connection all the way. And if so, can they pay for it? If the city cannot pay for it then we'll have to find other means to pay for it. So we're going to have to work collaboratively between the owners and the city. We can't do it alone. We can't compel the city to go construct it. I think it's just a matter

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of agreeing and moving forward and getting the city council to where they are the folks who get to direct staff and the city manager to explore that and come back with a report. As Mr. Riley had done on 11th street, that they would do the same thing on this alley and have them come back and report on what's feasible, what it will cost, and who can participate and how much. So we can know -- have an idea of what it is that we can contribute. So we're willing to do that. We just need to get there. >> Staff, do you have a conversation on the community benefit? >> I think we interpreted that keeping the buildings low, keeping some visual connection with the historic landmark, was in the public benefit and

keeping the view from the historic neighborhood of the downtown. There was some benefit there also. But we did not discuss paths and connections. >> Okay. Thank you.

[6:55:57 PM]

>> Ms. Glasgo, I'll jump in here and ask a couple of questions. So is it my understanding that the building has been under design and at some point your team realized that you were short 14,000 square feet? >> No. Not realize. Actually, as we're going through obviously the site plan review process and in conjunction with that, working with the real estate office through the release of the easement -- because the city retained the entire right-of-way as a public utility easement, 60 feet. But with the site plan review, the previous one expired and we had to file again to reduce the easement to 10 feet with the utilities going underground, and with that you had the 60 feet right-of-way you were able to pick up the most square footage. >> So you got extra land area and so you were expanding the building. >> Correct. >> And then you need more

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F.A.R. >> Correct. >> And number of units stay the same, 14,000 over the 10 units. So each unit gets bigger by 1400 square foot? I'm just trying to do math. >> Approximately, I guess if you're doing three. I guess it will be three stories because of compatibility. >> So if I would to assume in general if the -- >> That will be total square footage you're getting. You're getting a total of -- it's not twice that because it's your overall side, your total square footage that is going to be encompassed within your site area because the site area the one to one is the 23,000 square feet. >> I think part of the confusion up here, confusion up here is about just the size of the units. So if we're adding 1,000 or 1400 to each unit, like how big -- they seem like they're giant units? >> Well, there will be 10, they will be as large as -- Mr. Cumby can explain that. >> There are two units in the building that are approximately 4400 square feet, the rest of them

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average somewhere around 3,000 square feet. You also have to take into consideration that we have common area, corridors, hallways, elevator spaces, that kind of thing that factor into that also. >> Yeah, thanks for sharing that. That's helpful. >> You betcha. And they're all three bedroom units. >> Okay. And did I hear you, Ms. Glasgo, correctly that you would prefer not to have a height restricted further than 60 feet. So if we were to restrict it to the current design that's not something necessarily that you're -- >> Just the current height that we have. We're going to maintain the current height we have of 60 feet and that's the staff conditional overlay. >> But the design is much less than that. >> It's less than that. We would just keep the zoning height, which is comparable to everybody else on the street north and

south of us. >> And if it goes up to 60 feet does it maintain the views that mark was talking about? >> I don't think it going to do that. When we get to the next case the owner of the next lot and the owner of the castle, he too has committed to the neighborhood when we met a long time ago when he acquired the property from Mr. Bradley that, it's not

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just important for him to have the view of downtown, it's also because it's a landmark, you don't want to hide the landmark. So it's important to him, he has a private restrictive covenant with Mr. Cumby to make sure there's a view maintained not just for him, but for everyone looking from downtown to the castle. It sits up on the hill and it doesn't make any sense to have height impeding the view from either side since it's an historic landmark. >> Okay, thank you. Any other questions, commissioners? Cumby. Is there a motion? Go ahead, commissioner Kenny. >> So I really don't want to delay your case. I want you to move forward. I know time is money and there's probably an awful lot of money wrapped up in this sort of thing. That being said, I'm -- I'm a little reticent to let go of the access that even the

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easement offers on the north side. I think there's probably something that can be worked out. It can't be worked out tonight, in terms of atd figuring out what it says about the alleyway on the south side, getting maybe a preliminary rough estimate of cost so instead of a blank check it's maybe a check with a fixed number on it, a fixed number of zeros. And then I have to take into consideration the fact that, you know, I'm generally all for increasing far when it means more housing. We're not getting any more units out of this so it's really just making these massive units. You know, everyone needs housing. There are people who want to buy large houses so maybe this is one less mcmansion so, you know, I guess that's a positive thing but it's a little hard for me to swallow these three and 4,000-foot units without a concrete community benefit

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of any kind. So what I would like to propose, I'm open for discussion from fellow commissioners, is that we maybe set a -- what may be a placeholder of conditional overlay of no build on the northern 25 feet, which would perhaps preserve access for an alley-type situation on the north. It's no build right now under the current code so nothing can be built there, threw it would maybe serve as an ear mark -- or a marker and I would communicate to council on my even I'd like to see the owner work something out a little bit, somebody from atd and see if we can get that connectivity. Surely we can do something here,

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especially when we're talking about 14,000 square foot in this part of town, that's millions of dollars worth of value there that would be created by this rezoning so maybe we can get a little something for the community side. With that my motion would be to approve the zoning with a conditional overlay of no build on the northern 25 feet. >> Okay. Is there a second? Second by commissioner azhar. Did you want to speak to it further? Are there questions for the motion maker? >> Can we hear from the applicant and staff? >> Kenny, did you say no build? >> That's right. >> No building within the 25-foot compatibility -- >> No structure excluding any work necessary for the bearing of the utilities. >> No structure. Just for compatibility. >> Yeah. Or trails and the -- so no

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build, excluding the utility burying and any kind of bike or pedestrian infrastructure, but including a prohibition on fencing. >> Well, I would probably like Mr. Cumby to speak to -- >> Sure. I envision this as putting a marker down for conversation with council and maybe you can have further discussions and work something out. >> I agree. >> I don't want to delay you but I also don't want to just sign off on this project. >> Got it. Thank you. >> For clarification, is the height part of the conditional -- >> It's not part of my motion. I believe -- >> It needs to be though. >> Can we clarify, there's an existing -- okay, is that part of the existing co? >> The existing zoning is 60. The zoning height limit in

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mf-6 is 90 feet. We were proposing keeping it at 60 feet. >> Was that the only staff proposal informal? >> Yes. >> I think, commissioner Kenny, you were saying staff -- >> Further past the staff, including the staff limit of 60. >> Thank you. >> Mr. Kenny, they have -- just FYI there has to be a retaining wall on the north aside. >> Yes, ma'am. My motion was not intended to -- >> Correct. Just wanted to make sure. Got it. >> Any other questions? >> Commissioner Shieh? >> No. >> Okay. Commissioners speaking against or neutral? Commissioner Shieh? >> I'm gonna vote against just because I really am -- doing the math here. We've got a 48% increase in F.A.R. And we're gonna give that without any benefit for

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affordable housing at all. If you look at rm-2 and what it offers, if the council were to pass what is there today, it's much more -- speaks to the vision of the city for this corridor, which is -- calls for a .8 F.A.R. Limit but it gives them a very good 1.2 bump in height if they add affordable units. And we're not going to get any of that through this proposal. So think about it. 48% increase in square footage and we're not

getting anything for that. So I would like some firm commitments for-- connectivity is good, but I think we need some affordable units in this mix. These are huge units. 16 is the limit, ten to 16? There's a lot of room there to get a few affordable units out of this deal right next to one of our main corridors, Lamar. I mean, we're missing an opportunity here.

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So I think this needs more work. So I just think we should let the applicant think about how they kind of can contribute more to the community for this additional F.A.R. That we maybe providing. That's it. >> Okay. Commissioners speaking for? Administrator azhar? >> Commissioner Shieh, I completely agree with you and I'm going to vote in favor with this with the understanding that contest connectivity is one community benefit and I hope that's something the council can really look at in seeing there is an increase in entitlement we should get some community benefit out of this and I think connectivity is one piece of that and I hope that can be a robust conversation and I hope with that conversation there will be a conversation of other benefits if that seems reasonable and I hope staff can help council explore that. >> Speaking against? >> You mean for? >> That was for.

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>> Oh, sorry. Against or neutral? Speaking for? >> Commissioner Anderson. >> Okay. I'm not excited to vote for this. It makes sense, I guess. I'm sorry there was a 1.826 count limit put on this site. I see a bunch of young faces in here. When we do hear from young people in Austin they're desperate offend live downtown and we're not building enough units. It would be amazing to see 150 units here. Then again we hear hey we need family friendly size units. I think most of us know what three and four bedroom units in this area are gonna cost. That's another story. I like the addition of the co that councilmember Conor put on there, even if we don't put those improvements on there people will flow like water and that will be a trail. I don't know if I've -- I've

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used that trail a million times. I don't know if this area is a parking benefited district yet. My hope it is soon and maybe those funds can be used in conjunction with whatever the developer looks to put forward here. But, yeah, desperate need for connectivity here but a bigger need for homes. I can't believe this area has compatibility. I really can't think of anything that's less compatible with the city of Austin than compatibility but I guess it's a bigger subject for another time. >> Speaking against or neutral? I'll speak neutral. I'm surprised commissioner Anderson didn't say anything about the broken code. I think if we had the new code we could have some teeth to ask for affordable housing. I'm just uncomfortable in this scenario, commissioner Shieh, to be asking for something we can't ask for. So I do

hope that the applicant is able to consider that between now and going to council. I think there is opportunity with additional F.A.R., with additional possibility of a few extra units, maybe some

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of them being slated for affordable housing. With that, let's take a vote. All those in favor please raise your hand. Opposed. Okay. Let me count that. Do you have 11? That's 8-3 -- ten, missing Claire. So that motion passes 7-3. Thank you, commissioners. Let's get to case number 14. >> This is going to sound familiar to you. >> Okay. >> This project is cattle east case c14-2019-152. This is the crest of the hillside just above colorfield. For the sake of not repeating most of what we

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discussed already, there were maybe two benefits. Alice has mentioned the F.A.R. There's also the benefit of increased impervious surface coverage that is being achieved with the mf-6. Mf-5 allows 70%, mf-6 allows 80%. Also, just to relay, the atd did weigh in on connectivity. It occurred to me after we spoke last time. And their opinion was that it's better handled at site plan than at zoning, and so we agreed to have that -- to defer that discussion. It wasn't that it was ignored, but we didn't have a site plan to work with, so it seems appropriate to ask site planners to work on that issue. Just to summarize, though, this particular proposal is slightly different. This one is for 12 dwelling

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units as opposed to ten on the last one. Other -- it's slightly different size. This is approximately half acre parcel. The other was about two-thirds of an acre, so slightly smaller parcel. I think those are the useful distinctions between the two. >> Okay. Thank you, mark. Ms. Glasgo. >> Thank you, Alice Glasco representing the applicant for item number 14. And this case is also zoned mf-5. This was part of the original case, was part of the entire area that is now referred to as the graffiti park, and this, as the joint site was just one site and the same thing we worked with the neighborhood association and they limited the number of units to 28 with a 12 on the shelf and

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16 on the bottom. So the situation is pretty much the same and we want to do the same thing here. This will provide an opportunity -- this has not been designed. We're just keeping with the concept that it

would provide anywhere from three to 12 units, so we haven't designed anything here, but this is where the -- that connection -- we showed you earlier that almost -- well, the connection, extended here on the alley, under the Orange side, to help obviously with the connectivity and for this side the owner here would then be fairly -- pay for that connection as a driveway and also can be pedestrian connection because they're using it and, therefore, they're benefiting, they have to pay the cost that atd tells them to use with this one. And the agreement with the neighborhood also is that the access to this tract would -- could be to the alley and on west 11th

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street. So an additional F.A.R. Would be 11,355 square feet here if it were all achieved and the same conditional overlay that staff applied. And I'll pause there and the owner of this property is signed up to speak and just to share his -- the history of how he got here. With you. Thank you. >> Mr. Ayad, come on up. Welcome. You'll have three minutes. >> Hi. >> Thank you, members of -- I think the most valuable thing that I could share with you in three minutes, is to tell you a little bit about my relationship with these properties, the city, and the neighborhood. In the 47 years that I've lived in Austin, all but two

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years of it has been within a ten block radius of the site. I've had a fascination with the castle since I was a child because of my vocation, when Mr. Bradley's estate went into bankruptcy, I quit my job and took off four years of my life to dig it out of the most complicated bankruptcy I've ever worked on. Another two years working with the historic commission to restore the castle back to its original specs when it was built during the civil war. It's a very important place to me. I'd like to be tell you a little bit about how the art park happened. It was an experiment with a charity that I supported called the hope campaign. It tended to be a public awareness piece during south by southwest a little over ten years ago. The founding member, an

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artist named shepherd ferry from Los Angeles and his local partner approached my partner at that time, dick Clark, who was a colorful architect here. He's since passed away a few years ago. Asked us if we would allow them to do this art installation during south by southwest because of all the people that come here from all over the world. Well, it worked a little bit too well as a public awareness piece, and before we knew it people were coming literally from all over the world to paint here. And for everyone that was inconvenienced, I apologize. I know that it caused a lot of inconvenience and traffic in the neighborhood, but I couldn't bear to close it because of what it did for the neighborhood, what it did for

artists that had no place to go. It was an open canvas for them and turned out to be the largest and most successful interactive art park in the whole country and a model for others.

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As far as how much I care about this and on the topic of public benefit, I would like to say that even though we have many discussions with parks and rec and many members of the city government, most specifically from the mayor's office and his wife personally got involved, expressing her advocacy and strong feelings about this and their gratitude about me supporting it, I never got a single dime in support. I spent over a million dollars of my money to keep this park open for the over will years. I didn't get as much as a tax break. [Buzzer sounding] And so I'm very conscious of how this property impacts the neighborhood. And when it became a nuance, I was very proactive in dealing with everyone affected by it. I paid for more fences and

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trash clean-up and was out there cleaning the property myself many times. During our -- my ownership with Mr. Clark, he and I had a strong disagreement about what should happen on the property. He came in as my partner, as a dear friend and a very talented architect, but his vision was to build a huge building that used all the heighth available in the zoning that we were granted in our negotiations with the city and the neighborhood association almost 13 years ago. Mr. Ayad, I'm so sorry to do this I have to cut you off because I don't have a mechanism to allow you to keep going but if someone is donating time you can have another three minutes. >> Okay. I apologize. I just wanted you to know -- >> Just final thoughts. If you just want to do final thoughts. >> So final thoughts, I killed the project and I

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chose Mr. Cumby to sell it to because he agreed to a heighth restriction that was much lower than was allowed there and I bifurcated the property and kept the upper shelf and the plan is to preserve a view corridor looking out at the castle where my office is and looking up from downtown. >> Thank you for that. I've got Shaun shillington signed up as neutral and Hugh Randolph. If you want to come on up on this other podium. I think you're signed up against. Anyway, go ahead, three minutes. >> Shaun shellington. The view corridor aspect of this is a little bit confusion to me. I think it's completely unknown what he's going to build up there. I mean, I think he probably has an idea, but we haven't seen anything on that. There's no restriction on that. If he was to build a 60-foot tall building in front of

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the castle then it's going to be impossible to see it from anywhere except from my house. So that to me, though, is a site line. I'm much more focused on the connectivity, again, like vic was saying I think his plans now involve cars coming back out of the alley to go back to blanco. I did want to note in the staff report it says the entrance to this property is off Baylor streets and not 11th street. That's backwards. There's not going to be access to Baylor from this property. I think this makes the connectivity that much more important. I appreciate the motion from commissioner Kenny on the last project to keep that open. Obviously that doesn't do a whole lot of good unless it also goes through on this property. And, again, as far as paying for improvements in the

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alley, I think that is going to be very hard to find money to get that to happen unless it comes as part of this project so whatever we can do to make that happen as part of this project would be a huge community benefit. And like you guys are saying, I don't think there's many [indiscernible] involved with this project so that's it. Thank you. >> Thanks for your testimony. Mr. Randolph, come on up. You'll have three minutes. >> Hello again, Hugh Randolph. I wanted to secretary a lot of what Shaun had just mentioned and that the connectivity would need to go -- commissioner Kenny had proposed very good, as a property owner to the north I'm strongly in favor of considering connectivity that would abut the southern edge of our land, but it would have to go all the way up to 11th street, so the particle we're discussing now that Mr. Ayad owns. I also want to commend Mr. Ayad, Victor, the castle

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is a beautiful job, the graffiti park, until it got to be a little too crowded was an amazing feature. We had tenants in our property who wanted to be right next to the graffiti park so I think it's an amazing success. I like some of what I hear about what his plans are for the uphill -- in a conversation this afternoon he had with Mr. Ayad was that he might build two houses instead of one and that's fine. But then I hear this evening, you know, the staff saying it's for 12 units and if it's 60 feet tall, it's all a little bit ambiguous. I love the notion of a view corridor. I think that his intent is sincere not to block the castle, but, again, I think that having something in writing that can be a little bit more precise than what the upzoning would allow. Again, it's my similar opinion to the downhill, you know, the design that

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Mr. Cumby has for the colorfield I think is a beautiful project, which is '04 feet tall so now it could be 60 or not. Again, I think it will be. I don't question their intent. But if the land were to be sold or something

were to happen, so my main opinion on all this is if I knew more about what was really being proposed and going through a site plan process, I would be in favor or perhaps neutral, but not knowing and just hearing goals, which are really -- I really, really like those goals, but how does that get enforced into being something which doesn't require the full extent of the upzoning? So connectivity I'm for. As a property owner I'm for having and sharing -- whatever we would design as an architect, I think can really address the southern boundary and so it would be a great urban design opportunity. But I don't know why the upzoning is needed to the extent that is being requested to achieve either the downhill or what might

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happen uphill, and so, again, if there's a mechanism by which what is being asked for could be impacted or restricted to what they're being asked for as opposed to larger than what is stated intent of what they want to build, then I'd be in favor of it. >> Thank you. [Buzzer sounding] Ms. Glasco? Three minute rebuttal? >> Thank you, Mr. Chair. Well, in conclusion, I would like to ask the commission to support the staff recommendation. The height limit is, again, the same -- was keeping the height that is allowed under mf-5 and that will be the same height that is allowed for the property exactly opposite our property, mf-4, the height is 60 feet. And the same thing to the

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north, they'll be consistent with that from a zoning standpoint. So we ask for the staff recommendation. And the connectivity as you did in the other one too. We can explore that one too. Thank you. >> Thank you. Commissioners, those are all the speakers. Is there a motion to close the public hearing. Motion memory azhar. That passes unanimously. Commissioner azhar and then Shieh. >> I have a question for the applicant. So am I understanding this correctly that this site has not been designed out yet? So there's no understanding of what will be on the site? >> No. Not conceptually, but not totally. That's why we have the unit catch 12. That's the cap that was agreed to with the neighborhood association. So it would be anywhere between three and 12 units,

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without a design yet. But we'll -- the goal is to -- be in keeping within the envelope that is allowed under the proposal. The height. >> So my question then is, like, why was this change requested? Like, what -- I understand for the other side we were talking about there was of course a design, trying to get to more bedrooms. I can see there being a need to request a change, but here we have a conceptual design but a zoning request has already been issued for the change in F.A.R. And I'm trying to understand why. >> Because we're just getting ready to finally -- now that the graffiti park is in the process of moving out

and getting a new home that Mr. Ayad helped facilitate, that it's time to begin engaging a civil engineer to prepare plans, begin working with an architect. It's just a matter of moving on to the next stage once we know where we are. He had contemplated beginning a design a while back when we had the codenext and the previous code to recommend mf-6 here,

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but the new code has changed so he's just waiting for the code dust to settle and then he can proceed. But he's ready to go now, as soon as the case is concluded. Ready to engage a civil engineer to begin designing something. >> You said access can be both from 11th street or from the alley. >> Correct. >> Can someone help me who lives there or you might have visited the site. It seems like the alley -- I'm not sure the alley can actually be used for access for 12 units. >> No, no, it's not all. Those are the decisions that have to be made at time of site plan as atd indicated and the fire department has to approve so you cannot have as many units as you want. We're keeping the option open from a design standpoint and emergency access ingress and egress. We're not saying if you have 12 units they'd all exit that way. Just that you could have some units to the alley and majority of them on to 11th street. It's just not precluding

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that because otherwise you prohibit access, then you really are contradicting yourself. You say we want connectivity but we're not going to allow you to have the alley access and what alt is going to say we can't ask you to pay for it. If you leave it open it addresses everything you've been saying about connectivity. If he use it's he has to use it and pay for it and it helps with the funding needed for the alley. But atd and fire department will control exactly how many units can access the alley. >> I feel like it would have been better -- access from 11th street would have made more sense if it was a full street that ran all the way down to Baylor, which it doesn't, which is a separate conversation. But I think that answers all my questions. >> Thank you. >> Thank you. >> That was for the applicant. I thought I heard that there's a private restrictive covenant between the castle property owner and this property owner. Was that accurate? Did I hear that right?

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>> That's my understanding. >> On the height -- >> Between the two of them. >> Do you know what the height limit is in that -- the -- >> I don't know. I'm not privy to it. I'm just focused on things I can control and not between the two owners. >> You brought it up so I thought you might have more details. No, you don't. >> Yeah. They're just between the two owners, so -- so the view is preserved. >> So am I right that the neighborhood association that conditional overlays that are in the current zoning, those would

go away with this revised zoning? Is that right? >> Yes. That's correct. >> Okay. And that's all I had. >> Okay. >> Any other -- commissioner Shieh and then Schneider. >> So I have a question. This is kind of alluding back to what commissioner Shieh was talking about. Here we have also a request again for increased -- basically the same request -- >> Similar. They're just a different smaller site, exactly. >> Right. But the project is actually

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at its infancy at this point. >> Correct. >> Is there any consideration for any affordable units? Or consideration of going into some -- you know, housing -- affordable housing bonus to G leverage so we can get some on-ground affordable -- >> We haven't discussed that. Obviously -- it's an option that is there. We know there's affordability unlocked that is in place that can be used any time so we're aware of that. So no decision has been made regarding the affordability. I think that given really the cost of the land here we haven't contemplated that yet but we can certainly -- >> Again, I'm trying to assess, you know, like -- we're trying to assess the level of community benefit that this is going to provide, and right now it's a little difficult right now because I'm trying to understand, so you -- provide the height. You're asking for higher F.A.R. >> Same height it is today

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under the but F.A.R. >> Increase of F.A.R. >> Right. >> You talk about the view corridor but the view corridor is not part of the co. >> That's the private because the city can't really enforce that. It's private, between the two of them, so the one at the bottom shelf doesn't block the view. >> Sorry. That's between the castle and the -- property right in front of it. >> Correct, number 13. >> Okay. But that can also -- you know, part of it -- I love the castle as well. To me it's something that is definitely a community benefit that we can see. You know, but at the same time gross margin that's a private restrictive covenant between -- that's also something that could be taken away as well. I mean, just based on agreement from two people. >> That's true. I understand that, yes. >> So I'm concerned now, depending on what happens in the future, you know, because, I mean, with the 60-foot, if you build 60-foot, that view it's gone, you don't see that castle at that point. I'm trying to see if there's anything in place that can actually hold us to --

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>> Actually, there is a. We do have a private could have vent that Mr. Ayad signed in 2007 that actually in that covenant Mr. Ayad agreed to a lot of things for the other properties that weren't not being zoned in the covenant it's several pages long and I'm sure Shaun can concur with that. It does say that the top of the condominium unit, which is this site, shall not exceed the top of the castle. So that was another

part of the current covenant that we have with awana that says in no event with the top height exceed the top of the castle. >> How high is the castle? >> It's pretty tall. It's more than 60 feet, probably more than 90. So it's probably -- >> Okay. But that is something that's already been -- was worked out years ago. >> It's in the covenant, I have it right here in front of me. They have it too. We covered just about everything. >> Thanks for bringing that

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up, that covenant. That's it, my questions. Thanks. >> Commissioner Schneider and then, Shaun, I see your hand, but unless someone asks for you, then we can't have you speak yet. Go ahead, commissioner Schneider. >> This is probably for staff. Currently the 11th street stops -- it goes from blanco and stops at castle hill. Is that correct? >> That's my understanding. >> And the alley does the same thing? >> Yes, I believe so. >> So when we're talking about connecting access for vehicles, is -- do you know if the city would require that from blanco -- from the blanco side or from the Baylor side? >> I don't. I think Alice said that the

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atd, Austin transportation department, would be making those calls, together with the fire department. >> So the -- so I'm familiar enough with the site. There's -- I'm assuming that this property backs up to the bluff, so the back of the property is more or less vertical with the castle on top? I'm trying to figure out where connectivity -- pedestrian connectivity would be built. Would it be -- is it -- if we're going to be -- if atd or if the logical thing is to build from blanco down, then we sort of address the connectivity at least for vehicles and maybe for pedestrians as well. >> We don't look at any topography in the zoning department, and so that was going back to atd saying they felt this was an

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appropriate subject for site planning rather than zoning. >> Thank you. Thanks. Alice, you have a comment? >> Thank you. >> Okay. >> Can you explain that? >> A picture is worth a thousand words. And the picture helps to show you -- the continues red from blanco to Baylor is the alley, which is partially in place, you can see the homes that currently access the alley from blanco heading south towards Baylor. Those homes have access to the alley. The castle is right in the middle, and so the alley access stops just right there behind that white house. So the balance of the alley right-of-way that the city owns -- the city owns the right-of-way for the entire stretch of what is in red from blanco to Baylor. And only a portion of it is currently in place. >> And currently the alley stops below -- at or below the castle so there's a break in the alley --

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>> No, when -- right at the alley -- right at the -- I'm trying to point from here. Just about right there, correct, there where Mr. Shieh just had his hand right there, that's about where it ends. >> So the real difficult piece for connectivity is that the steep portion of the bluff that is between the white house -- >> And Baylor, correct. That's what atd needs to look at because in 2012, when is councilmember Reilly explored this, he just asked them to expolice report west 11th street. He never asked them to look at the 10.5 street. It didn't come up and nobody raised it at the time the city raised the right-of-way so this would be a good time for them to explore it. >> Would this property -- I think somebody said before that in the previous case the access was from Baylor. Did I understand correctly that the access is not from Baylor for this case?

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>> For case -- for item number 14 -- >> This case, yes. >> The access here would be allowed to the alley and west 11th street. What the neighborhood has not want before -- and then they did not pedestrian access, so any access, the previous, between any -- cars going from blanco to Baylor and to west 11th street down there and that's why our private covenant is structured that way. However, currently with this case, connectivity is obviously key, and same thing here. For item number 13, there will not be any vehicular access on the alley from the property down on Baylor. There will just be vehicle access on Baylor. We're going to explore pedestrian connection for the entire property all the way to blanco and there's possible a possibility of vehicle access for item

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number 14 for some of the units, whatever the fire department allows for item number 14 only. Does that make sense? Am I -- [buzzer sounding] >> Yes. Thank you. >> Any other questions? I'll ask a question to Shaun. Shaun, did you want to comment on the heights? Or your understanding of the heights? >> Yes. I think there was some confusion. So vic owns the castle and he also owns this property that we're talking about now. So there's no -- there's no height restriction between the castle and this current case. The agreement, the restrictive covenant, is between Bryan and vic about the first case we heard, the lower part, and, you know, the castle and this current case combined, but there's no restriction on what vic can build here on this current case no, restriction on the height, other than the 60 feet zoning height.

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So I just wanted to clarify that point. And like you guys are saying, the vehicle -- 11th street right now just dead ends right there and goes into the driveway on the alley. It can't exceed the top of the castle. That was the other thing. The castle is not 60 feet high. The castle is maybe 45 feet high. A 60-foot building in front of it, even if it's set down, like, 10 feet from Baylor street, which is another 50 feet down the hill, there's -- you know, you're not gonna be able to see it at all. 11th street there dead ends now basically into the driveway for the castle and so what commissioner Kenny was talking about was extending open space down there so at least people could scramble up and down the hill or animals or whatever. And then the alley I guess he would have driving access all the way to this new property, but then I think it's probably too steep there to be able to drive all the way down to Baylor

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so that would best just be pedestrian access down to Baylor. >> Thank you. >> That's all I have. Thank you. >> All right, commissioners. Those are all the questions. Is there a motion? Commissioner Kenny. >> Move to approve staff recommendation with the same conditions attached to the other motion regarding the north side of the property. Is that sufficient? Mr. Rivera, is that good? Thank you. >> Is there a second? There's not a second. Is there another motion? Commissioner azhar. >> I second it. >> You are seconding it? Okay. Seconded by azhar. Did you want to speak further to it? >> I'm open to further input, but this is required to make the other one work. So they kind of need to go together for the other one to work. >> Would you like to expand on that? >> So the first case was for the eastern tract here going

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between -- these road lines and this case, if I'm getting this correctly, is the western part going between the lines. So in order to get access in this kind of alley space between Baylor and blanco, we got half of it, and this is the last half to connect it to 11th street. >> Okay. >> But I'm also not overly attached to the base staff recommendation, so if somebody has amendments there, but the access, this is required to make the other one work. >> Okay. Commissioners speaking against? Go ahead. >> I'll speak against. I seconded because I think it is worthy for conversation so I'm going to forward it. I'm thinking about this. I think -- I am a little more concerned about this just because there's so much that we do not know about this case.

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I think that's one thing. The other piece of it is I think I hear commissioner Kenny conversation about the fact that we need this to go in tandem with the first one to make it work. At the same time from a planning perspective I'm not sure I agree with the idea of someone coming to us asking for a zoning change at a time when they only have a conceptual idea of their design. I'm not sure why this -- why this request was even put forward to begin with. So I'm just trying to understand, if everybody just comes to us at the time of a conceptual design asking for a zoning change, I think we're gonna be looking at a lot of zoning requests that way. So I'm just trying to understand and think through what does it mean for comprehensive planning and what does it mean for some of the work that we're doing. So I'm going to think this one over but I do think I agree with commissioner Kenny and requiring the conditional overlay to complete that connectivity and build on that work that has been done for the first case we just heard. Thank you. >> Speaking for? Commissioner Anderson.

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>> Again, definitely not excited about this one, but then again it's better than just sitting there fallow like it is today. I'm not a fan of trying to protect private view corridors. I know that conversation keeps coming up here and there and I'm glad we're not trying to do that. We need housing. We don't need more view corridors, right? I'm glad we're seeing this case, right? These are large units and this is gonna be hoa, so these are condos. We recently, Austin habitat, received and helped a developer sell a bonus unit that was a little over 1200 square feet that now has \$600 a month hoa in it, right? And so the city ordinances of today, as we interpret it, didn't require that that hoa calculation be put with principal taxes and interest. We went ahead and did that because we realized that is a actual housing cost so we kept that within that 30% calculation, but that was still over \$600 a month which really put a dent into what that unit could sell for.

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If these were 3,000 square foot units, let's just imagine a similar hoa, that we can't find a legal mechanism to reduce hoa because, you know, you're all using the concierge, trash chute, using those things kind of equally so because of that this is a good example of why we do need fee-in-lieu in our code. Of course this is a great segue into our terrible land development code. I looked out in the audience. There's about 30 people here and what I can tell is most of the people in this room not on this dais are younger than our land development code. Which is a great way to fail that younger population, which we're doing wonderfully right now. So sorry to all of you who are trying to rent or buy in the city. We're doing our best to fix that. Yeah another great example of how bad or code is. >> Speaking against or neutral? Commissioner Shieh. >> So I don't think I'm ready to support this yet.

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I think this is so much in its infancy and there's a lot of opportunities we could be exploring. You know, as we discussed about the need for more affordable housing and this one being at this point is something that, you know, we should be considering -- or at least be considering, at least in the conversations of it. And I know it's early, but we've had so many cases come in front of us where the applicants are talking about doing this. And here I don't know what it is. You know? I mean, and that could be a community benefit that we bring. Right now I go back, what is the community benefit here? Right now I'm confused even as to height, as to height of the castle verse what the covenant with the neighborhood says versus what staff says is it 60, 90, 45? I mean, there's a lot of stuff that's really not quite accurate or just we just don't know right now. I'm not ready to do it. I understand we do need to

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have at least a portion of this to get that connectivity to work, but I think at this point, you know, I'm not gonna support it and if it goes through at least that would be a queue into what could or needs to be done as it moves into council but there's a lot of things that need to be worked out on this for me to support this going through. That's where I'm at. >> Speaking for? Or against or neutral? All right. Let's take a vote. All those in favor raise your hand. All those against. Any abstaining? Okay. So that motion fails 3-6-1. All right. That was the last discussion case. Future agenda items,

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commissioners? >> Chair, I had -- on future agenda items it's not a hard request but I would like staff to respond to this at some point. We were going through one of the cases where we were looking at industrial land and we zoned it mixed use and one of the questions that had been raised at the time was what is the need for industrial zoning and what are we doing and how are we thinking of sort of the future industrial planning within the city. Staff had said there was some sort of study or conversation that was happening. I would like love to get an update on that at some point just so we can understand the context of how we're looking at our industrial land and zoning going forward. >> Noted, chair. Commission liaison, Andrew Rivera, if we could get a second. >> Second by Shieh. Any future agenda items? I'll quickly chime in about future meetings, February 11 is at one Texas center and it will be consent only. All right.

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And that's because council might be over here doing their second reading on the code. Okay. Committee reports. Codes and ordinances did not meet. I think I got an email from commissioner Seeger. Is that

correct, commissioner Kenny? >> Yes, that's right. We did not meet. >> Comp plan? >> No. I need to inquire -- yeah do we have a schedule we're doing for this year? No. We need to figure out what our schedule is. >> Okay. Joint sustainability? >> Met last week. The -- there's ongoing work to update the community climate plan. There was a interesting presentation from urban forestry if you guys ever have questions about both canopy cover for the city and transplanting heritage trees and so forth, there's

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obviously changes coming in the new code. That's about it. >> Okay. Thank you. Small area planning? >> We didn't meet. We're going to be meeting in February. Maybe. >> South central water front? >> We're kind of stuck, very, very stuck trying to get the tif. Some parts of the city say yes. There's council direction to implement the tif, and the finance department greases, -- disagrees and it's just stuck. >> Okay. That's all the business today, folks. It's 7:49 and the meeting is adjourned. [Adjourned]